DEPARTMENT OF THE ARMY

2011 Annual Report on Business Transformation

Providing Readiness at Best Value

1 MARCH 2011

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UNDER SECRETARY OF THE ARMY WASHINGTON

MARCH 1, 2011

One year ago, we submitted our 2010 Annual Report on Business Transformation. At the time of that report, we had a great deal of work to do. In 2010, the Army continued business transformation efforts in extraordinary difficult conditions. We were actively engaged with a formidable enemy in two locations on the other side of the world. We acknowledged that we needed a Generating Force that better supports our agile and versatile Operating Force to produce Readiness at Best Value.

We needed to act on several key pieces of National Defense Authorization Act directives. These included furthering the office of the Chief Management Officer, establishing the Office of Business Transformation and developing our Business Transformation and Business Systems Architecture and Transition Plans. Within the Army, we needed to build on the successes of the Army Enterprise Board and Core Enterprises and continue to strengthen our enterprise construct efforts. We needed to address our Enterprise Resource Planning Systems shortcomings. Our 2010 Report to Congress detailed these plans.

The Army has performed many significant business transformation activities in 2010. I want to briefly list these accomplishments that are further detailed in this year's report.

- We enhanced the Army Campaign Plan to assume a greater role as a strategic management plan and performance measurement tool giving us tighter integration with Army strategy and business transformation activities.
- We established the Army Management Enterprise Board that provides a forum in which
 we proactively collaborate to help ensure the synchronization and integration of Armywide issues.
- We established the Business Systems Information Technologies Executive Steering Group leading to the development of the revised Army Business System IT Strategy.
- We established the Office of Business Transformation, the lead for business transformation efforts Army-wide.
- We developed and published our Business Transformation Plan and Business Systems Architecture and Transition Plan.
- We identified 26 Army Business Initiatives that we will use to accelerate Army business process improvement and cost savings.

Our progress in 2010 confirmed we are headed in the right direction, but we know our journey is far from over. However, I am confident that we have the right team and the right focus to complete these tasks. I look forward to our continued business transformation efforts in 2011.

Joseph W. Wastphal

SECTION 1: INTRODUCTION

This report provides an update on the Army's progress towards implementing the objectives of the business transformation initiative outlined in Section 908 of the Duncan Hunter National Defense Authorization Act (NDAA) for Fiscal Year 2009 (Public Law 110-417). This legislation directs the Secretary of each military department, acting through the department's Chief Management Officer (CMO), to carry out an initiative for the department's business transformation. This legislation further directs the CMO to submit to the congressional defense committees by March 1, 2011, a report on the actions taken and actions planned to be taken to carry out the military department's business transformation initiative.

Change is no longer an anomaly that we must endure or manage, but rather an ever-present reality. In recent years, the Army made a strategic choice to accept risk in the size and pace of change in the Generating Force (or institutional Army). Although the Operating Force is changing and adapting through modularization, the Generating Force continues to use processes and procedures that were designed to support a pre-9/11 Army. As the sector of the Army charged with training, equipping and sustaining our Soldiers, the Generating Force must now become an engine of change and adaptation. It must become a force driven by innovation, able to quickly develop and field all that our Soldiers and their Families require. Thus, our appropriate vision for business transformation is: a Generating Force that better supports the agile and versatile Operating Force to produce Readiness at Best Value.

The Army needs a smart way to control the cost of its missions. Leadership-driven cost management is a tool that can be used to accomplish the mission at best value. With the Army being a large, complex organization—1.1 million people and a multi-billion dollar budget—we need to better manage available dollars and face the potential of reduced resources in the future. Throughout the Army, there is a perception that people and hardware are "free goods." *We have a consumption-oriented culture where financial success is defined as spending every dollar.* We don't do an effective job of relating cost to outputs and outcomes. There is no penalty for excessive cost, and no reward for decreased cost. The Army is extremely fortunate to have a diverse leadership team of talented, experienced and knowledgeable professionals. However, people think, act and operate according to the prevailing culture and unfortunately, for many years our culture has been to obtain "Readiness at <u>Any</u> Cost." To sustain the long-term health of the Army, we must adjust our culture to one that is performance-based and outcome-focused to achieve "Readiness at <u>Best</u> Value."

Our Army took enormous steps towards achieving real business transformation in 2010 with the enhancing of the Army Campaign Plan (ACP) by synchronizing the leadership of the Assistant Secretaries, the Army Staff Principals and the Army Commanders to ensure direct leadership, goal alignment, strategic metrics and active management; the publication of the 2011 Army Business Transformation Plan; the publication of the 2011 Business Systems Architecture and Transition Plan; and the Vice Chief of Staff's support for CMO-led Capability Portfolio Reviews to fully

examine our requirements process. The accomplishment of retooling our ACP to become more like the Army's Strategic Management Plan and creating an effective Army Enterprise Resource Planning Strategy is focusing the Army on business process reengineering that supports maturing our integrated management capability across the Army management enterprise. These significant efforts are bringing about a Cost Culture on which we can build. Lastly, our efforts to achieve the Secretary of Defense's intent for efficiencies has set conditions for our longer-term efforts to transform the way our Army provides trained and ready forces for the future.

As detailed in our 2011 Army Business Transformation Plan, we framed our business transformation vision around four critical management priorities: 1) Develop and implement an integrated management system; 2) Align, integrate and innovate enterprise-wide processes; 3) Transform business operations; and 4) Adjust our culture. The cornerstone of the Army business transformation vision is the accomplishment of our singular goal of achieving an integrated management system that is performance-based and outcome-focused to enable cost-informed decisions and identify trade-offs for successful management of the Army's business operations. To that end, we are aligning business operations both horizontally across the Army enterprise and vertically, from the field up through external stakeholders such as the Department of Defense, Government Accountability Office and Congress.

This report is divided into sections that detail the Army's Fiscal Year 2010 accomplishments in direct response to business transformation legislation; highlight our current activities to achieve our business transformation initiative as outlined in the 2011 Business Transformation Plan and Business Systems Architecture and Transition Plan; and provides a brief review of the future activities planned to move us closer to achieving financial auditability by Fiscal Year 2017. In Section Three, we provide a detailed discussion of the activities and processes that comprise our integrated management system and describe the process we will use to measure its successful implementation. Lastly, this report provides an update on our business initiatives in Section Six.

SECTION 2: ACTIONS TAKEN TO SUPPORT BUSINESS TRANSFORMATION REQUIREMENTS IN FISCAL YEAR 2010

The Secretary of the Army, acting through the Under Secretary of the Army in his role as the Army's first Chief Management Officer (CMO), began fulfilling requirements outlined in the 2009 National Defense Authorization Act (NDAA) by completing several significant activities in 2010. Additionally, Army business transformation leaders interacted and provided feedback in numerous settings to congressional and Department of Defense (DoD) leaders. A brief summary of these activities and interactions is provided below.

Established the Office of Business Transformation

On February 5, 2010, the Secretary of the Army signed Department of the Army General Order 2010-01, confirming the establishment of the Army Office of Business Transformation (OBT). The OBT was established by memorandum on April 9, 2009, but was not staffed or resourced. The OBT acts under the authority, direction and control of the Secretary of the Army, reports directly to the CMO and is the lead for business transformation efforts Army-wide. Typically, business transformation capability has been outsourced to vendors or matrixed across the organization. *The Army considered each approach and plans for its OBT to retain a core organic business transformation capability. This reduces the total burden on an already very busy organization by facilitating business transformation efforts with Army functional leaders.* The Army OBT is similar to that of the Air Force, yet is smaller in assigned personnel. The Navy's organizational model is more of a consultative capability similar to the Army's former organization, Deputy Under Secretary of the Army-Business Transformation (DUSA-BT).

Published the 2010 Report to Congress on Army Business Transformation

On March 1, 2010, the Army delivered the 2010 Report to Congress on Army Business Transformation to members of the congressional defense committees. The Report was divided into five main sections that explained 1) the Army's legislative requirements response; 2) the Army's initial OBT development efforts; 3) the Army's approach to develop the Business Transformation Plan to achieve an integrated management system; 4) the Army's approach to develop an enterprise-wide Business Systems Architecture and Transition Plan with end-to-end business processes capable of providing accurate and timely information to support Army business decisions; and 5) a review of Army efforts to address Section 1072 of the Fiscal Year 2010 NDAA.

Developed and Published the Army 2011 Business Transformation Plan

On October 1, 2010, the Army delivered the 2011 Business Transformation Plan to members of the congressional defense committees. *The Business Transformation Plan outlines the direction the Army will take in developing and implementing an integrated management system for the department's effective business operations*. The 2011 Business Transformation Plan articulates the Army's Business Transformation vision and provides four management priorities: 1)

Develop and implement an integrated management system; 2) Align, integrate and innovate enterprise-wide processes; 3) Transform business operations; and 4) Adjust the Army culture to one of resource informed decision-making. In response to the Open Government Initiative, the Business Transformation Plan is available on the OBT public website at www.armyobt.army.mil.

Developed and Published the Army 2011 Business Systems Architecture and Transition Plan

On October 1, 2010, the Army delivered our detailed enterprise-wide 2011 Business Systems Architecture and Transition Plan to members of the congressional defense committees. The 2011 Business Systems Architecture and Transition Plan encompasses end-to-end business processes and provides accurate and timely information in support of senior Army business leader decision-making. The 2011 Business Systems Architecture and Transition Plan presents a "roadmap" for transforming business operations, enabling audit readiness and developing an integrated business process platform that is aligned with the Army business operating model. By adopting the Business Systems Architecture and Transition Plan as the Army's roadmap for optimizing its business operating model, the Army will drive the transition planning of more than 750 legacy systems and the prioritization of new business system investments into a single integrated architectural plan capable of supporting business operations. The key to this approach is the use of end-to-end business processes to ensure smooth transitioning to the new business operating model and its supporting technology platform. In response to the Open Government Initiative, the Business Systems Architecture and Transition Plan is available on the OBT public website at www.armyobt.army.mil.

Published Business Initiatives in Support of Business Transformation

With OBT coordination and staffing, Assistant Secretaries of the Army and Army Staff Principals submitted initiatives that align people, processes and technology more closely with the Army vision and business strategy. While all of the Army's business initiatives fall within the CMO's area of interest, a subset of current initiatives will reach across the entire Army enterprise. These initiatives, defined as Army Enterprise Business Initiatives (AEBIs), are currently being identified and evaluated. The CMO will champion these initiatives as they will have an Army-wide impact on improving business operations and supporting the warfighter. These initiatives include streamlining the civilian hiring process, improving the end-to-end procurement and pay process and conducting a holistic review of Family and Soldier support programs. In response to the Open Government Initiative, summaries of the Army Business Initiatives are available on the OBT public website at www.armyobt.army.mil.

Chief Management Officer Testimony of July 2010

On July 22, 2010, the Army CMO testified before the full House Armed Services Committee. The CMO made a commitment to the Committee that "...we will increase our efforts to generate savings, reduce cost, enhance performance and create efficiencies. Our Soldiers' ability to complete the mission depends on it. Their Families depend on it. The Secretary of Defense and

the President demand it. And as the Chief Management Officer, this is my focus." The CMO informed the committee of the collaborative work and exchange of ideas that is happening between the Army, Navy and Air Force, and vertically with (DoD). The CMO also highlighted Secretary of the Army-directed weapons system capability portfolio reviews that the Army is conducting to validate requirements across all weapons system portfolios.

Fielding questions pertaining to the Army's OBT, the CMO explained that the OBT was built from the staff of the preceding Enterprise Task Force and the business transformation staff of the previous Deputy Under Secretary of the Army for Business Transformation, since they had already been engaged in business transformation activities.

In response to the Chairman's question about the differences in business transformation staffing and approaches among the Services, the CMO explained that the Army "... made the decision to incorporate a management enterprise approach within the context of business transformation and apply it holistically across the Army." The Army also established the Army Enterprise Board, an executive advisory board to the Secretary of the Army, which functions as a forum for discussion of major issues that have Army-wide impact.

Director, Office of Business Transformation, Testimony of September 2010

On September 29, 2010, the Acting Director of the Army's OBT testified before the Senate Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security on the topic of financial accountability at DoD. The OBT's Acting Director acknowledged the committee's concern over stewardship and accountability and stated that the Army's financial and business systems today successfully provide commanders with accurate resource information to aid them in accomplishing their missions. While the General Funds Enterprise Business System was designed to meet current audit standards, we continue to explore ways to better support an integrated enterprise.

Strengthening financial management remains a high priority, and Army leaders are working hard to achieve measurable goals. This effort can only be supported with compliant, reliable systems: "The Army must modernize our financial systems and our business processes."

Enterprise Resource Planning (ERP) systems are important enablers for leveraging business process improvement, strengthening financial controls and managing business operations in a more efficient, integrated manner. Therefore, ERP systems are at the core of how the Army plans to meet auditability requirements by Fiscal Year 2017. Our progress toward that end is critical to developing the Army's integrated management system.

Regarding leadership buy-in, the Acting Director highlighted clear support and guidance from the Secretary and the Chief of Staff of the Army. As proof that the Army is making progress, the Acting Director detailed the creation of the Business Systems Information Technology-Executive

Steering Group, which was created in June 2010. This group is chaired by the CMO and took on refining the Army ERP Strategy and broadened it to include all Army business systems. The Acting Director acknowledged that the Army agreed with recent Government Accountability Office (GAO) findings and recommendations, which helped drive the Army toward enhanced governance.

Resolving High-Risk Areas

The Army recognizes that the GAO looks at susceptibility to fraud, waste, abuse and mismanagement when designating an area as high-risk. As the GAO's high-risk program has evolved, it has used more frequently the high-risk designation to draw attention to areas associated with broad-based transformations needed to achieve greater economy, efficiency, effectiveness, accountability and sustainability of selected key government programs and operations. When legislative and agency actions result in significant and sustainable progress toward resolving a high-risk problem, the high-risk designation is removed. The Army understands that key determinants include: a demonstrated strong commitment to (and top leadership support for) addressing problems; the capacity to address problems; a corrective action plan; and demonstrated progress in implementing corrective measures.

GAO determined 14 programs and operations to be high risk; over the years, eight of these areas have been removed from the high-risk list. These results demonstrate that the sustained attention and commitment by Congress and agencies to resolve serious long-standing high-risk problems have paid off, as the root causes for half of our original high-risk list have been successfully addressed. In 2009, the GAO reported the following eight DoD programs as high-risk: DoD Approach to Business Transformation; DoD Business Systems Modernization; DoD Personnel Security Clearance Program; DoD Support Infrastructure Management; DoD Financial Management; DoD Supply Chain Management; DoD Weapon Systems Acquisition; and DoD Contract Management. Army Senior Leadership supports the hard work GAO is doing and is committed to working closely with the office to find re resolution and make effective progress in our business transformation efforts.

Army Efficiencies

The Secretary of the Army directed the CMO to not only support the challenge of the Secretary of Defense to the Military Departments to produce efficiencies against objectives he had set but to also develop a process to formally institutionalize Army future efficiencies. The CMO directed the development of a concept establishing a process to identify, assess, report and implement future efficiency initiatives while leveraging the Army integrated management processes to synchronize and integrate Army efficiency efforts and develop metrics and performance reporting, to include tracking and assessing the progress of ongoing, proposed, and future efficiency efforts against Department of Defense and Army unique efficiency targets. In support of this effort, the OBT, in collaboration and coordination with Headquarters Department of the Army (HQDA) staff and Army Command, to include the deputies to the Principal Officials of HQDA, developed the Army

Continuous Business Process Efficiencies Concept of Operations (CONOPS). The Continuous Business Process Efficiencies CONOPS will serve as a formal and codified Army-framework and process to identify; implement and record, assess and report progress of the Army's future business process efficiency initiatives.

SECTION 3: ACTIONS TAKEN TO DEVELOP AND IMPLEMENT AN INTEGRATED MANAGEMENT SYSTEM

The integrated management system is an integrated set of business management processes enabling Army leadership to make resource informed decisions and provide the Nation with trained and ready forces at best value. This coordinated decision-making process will lead to the achievement of Army objectives that produce required Army outcomes. The benefits of an integrated management system are enormous. Much more than just measuring performance, this process focuses the entire Army toward results. The Army continues to focus on achieving better performance—whether it be obtaining clean financial audits or reducing cycle times on a manufacturing line. An integrated management system guides the entire Army to better business operations through improved management and business processes. Outcomes are universally known and effectively articulated. Metrics are linked together to reveal how business processes impact one another and how they contribute to our organization's performance. Leadership has clarity on what matters most, and resource-informed decisions can be made easily as the root causes of business challenges can be quickly identified and resolved.

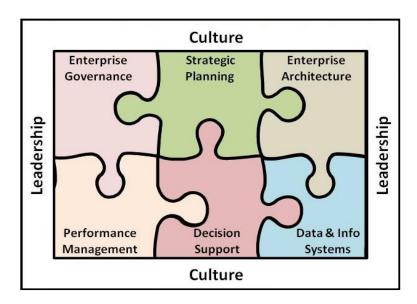


Figure 1.0 - Interconnected Components of Army Integrated Management

Currently, the Army management structure is composed of numerous focused management systems tailored to functional areas (resourcing, logistics, finance, human resources, etc.). Though effective in their respective areas, today's complex and rapidly changing environment requires an enterprise view of the Army that is timely and accurate. To achieve this, the Army continues to integrate business operations across the Army's various functional areas using end-to-end business processes and improve its management capability. This will lead us to having a holistic and integrated set of management processes designed to align decision making with enterprise

strategy and guidance. This coordinated decision-making process will lead to the achievement of Army objectives that produce required Army outcomes.

Implementing the Army Integrated Management System Components

The Army OBT is leading the development of a Capability Maturity Model Integration (CMMI) approach to measure the progress made in achieving an integrated management system. The CMMI is a framework for business process improvement that organizations use to understand and improve their performance to consistently and predictably deliver the products, services and sourced goods their customers want, when they want them and at a price they're willing to pay. The CMMI is an organizational process that aims to minimize errors and maximize quality.

CMMI utilizes a 5-level process maturity continuum, in which the uppermost (5th) level is a notional ideal state in which processes would be systematically managed by a combination of process optimization and continuous process improvement (CPI).

- Level 1 Ad Hoc/Personality Dependent: At this level, processes in organizations are ad hoc. That doesn't mean an organization is unsuccessful, but positive outcomes are usually based on the personal strength and abilities of key individuals. While the Army has many organizations operating at higher levels, the overall Army enterprise is at this level.
- Level 2 Managed/Limited Processes: Organizations have some documented processes and controls that are actively managed.
- Level 3 Defined Processes/Continuously Improved: At this level, organizations have detailed processes in place covering most, if not all, key operations. There are CPI efforts underway. This level should be a goal for the Army to attain within four to five years for activities at the Army enterprise level.
- Level 4 Quantitatively Managed/Predictable Processes: Quantitative management is occurring with statistical controls based on stakeholder needs. Process performance is predictable for each major task.
- Level 5 Continuously Optimized/Quantifiable Management through Innovation: CPI is occurring based on quantifiable understanding at the enterprise level.

CMMI will be used to measure the progress made in achieving an integrated management system by assessing the current maturity level, identifying the gap between current and desired maturity level and shaping future initiatives to support attaining the maturity level desired.

To drive business and culture change, the Army is providing senior leaders a series of tools ranging from business education, a cost management certificate course, the development of an integrated management system and an improved enterprise governance and architecture structure. This will assist senior leaders in making resource-informed decisions, enable the Army

to achieve financial auditability by Fiscal Year 2017 and give leaders and managers the ability to continually measure progress in meeting established goals and objectives.

Think of an integrated management system as a framework that integrates all of the Army's enterprise systems or processes into an improved management capability, enabling the Army to work as a single unit with unified objectives. For these enterprise systems to be an integral part of the management system, there must be linkages so that the boundaries between processes are seamless. The result is a disciplined, systematic approach that understands return on investments and improves stewardship of scarce resources. On the following pages, we identify the integrated management components and explain our various activities within these components that we will use to improve the integrated management of the Army.

Strategic Planning

The Strategic Planning component develops and communicates clear Army business strategies, goals and outcomes and aligns business rules and policies with the stated goals and outcomes. The Army made considerable enhancements in this area with the inclusion of Army Business Transformation into the 2011 Army Campaign Plan (ACP), the creation of the Business Systems Information Technologies Executive Steering Group and the publishing of the Army 2011 Business Transformation Plan and Business Systems Architecture and Transition Plan. Each of these components is briefly discussed in the following section.

In 2010, the Army executed a significant and positive change from previous business transformation efforts. Business transformation and CPI became part of Army Strategy. Business transformation has now been centralized in the Army. This is documented in the 2011 ACP, a living document that directs organizations throughout the Army to take specified actions based on the Army strategy.

The 2011 ACP is critical to the success of Army business transformation because it will be the vehicle for linking business transformation efforts to Army outcomes and for measuring the progress of the transformation effort and its contribution to the Army's desired outcomes and objectives. The ACP document, strategy map and associated forums help bring greater transparency to the Army's business efforts and hold the Army accountable for completing its objectives and ultimately achieving its desired outcomes.

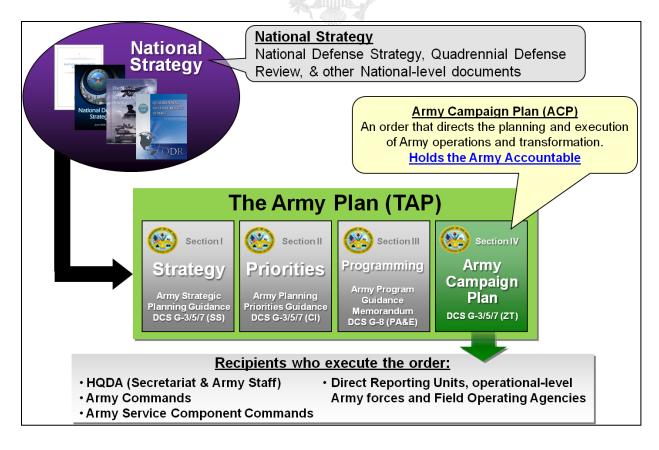


Figure 2.0 - The Army Plan and the Army Campaign Plan

In 2010, the Army published the Business Transformation Plan and the Business Systems Architecture and Transition Plan. The Army will use both of these plans to strategically guide and direct the transformation of many business operations. This will lead to better alignment of the Army's institutional management with its Force Generation capabilities. Both documents articulate the importance of an integrated management system and planned development and implementation of the six components supported by leadership and culture (see Figure 1.0). The 2011 Business Transformation Plan summarized our business initiatives that impact and span the entire Army enterprise. Lastly, the two documents detail the importance of governing by the enterprise, managing by portfolio and organizing by end-to-end process.

In 2010, the Army established the Business Systems Information Technologies Executive Steering Group. It is an intra-Army, departmental committee that advises the Chief Management Officer (CMO) on Army-wide requirements for and the synchronization, integration, prioritization and resourcing of Army Business Information Technology systems with a focus on enterprise resource planning instances. Subject to the authority, direction and control of the Secretary of the Army, the Business Systems Information Technologies Executive Steering Group has given guidance pertaining to strategic alignment of Army enterprise business information systems, technologies and processes with the Department of Defense (DoD); Army enterprise-wide standards, functional requirements, resourcing and materiel development of business

information technology systems; and Army enterprise-wide alignment and integration of crossfunctional business information technology and processes. A more detailed discussion of ongoing Business Systems Information Technologies Executive Steering Group activities is found in Section 4.

Lastly, the Army has completed a great deal of work in 2010 to refine its business systems investment strategy. The Army's approach to business systems strategy development and sustainment is a significant departure from past efforts to manage information technology business investments. *The Army business systems strategy shifts our focus from information technology "fixes" toward empowered governance and enterprise portfolio management* as ways to achieve the Army's outcome of ERP solutions as effective business enablers. A more detailed discussion of our business systems strategy is found in Section 4.

Enterprise Governance

The enterprise governance component clarifies roles, responsibilities, and decision rights; synchronizes, aligns and integrates governance forums across the Army and eliminates redundant forums/meetings, as appropriate. This enterprise construct, as with many other key processes in HQDA, is one element of an ongoing effort to more effectively achieve our desired outcomes for the Army. This construct will be reviewed annually by the Secretary of the Army for continuation, modification, improved synchronization or elimination. This review will be informed by a larger effort to analyze legacy forums, redundant efforts, duplicate programs, overhead reduction and overall strategy to reform the Generating Force.

As the Army continues to employ an enterprise construct in 2011, we continue to educate ourselves about both the myths and benefits. Adjusting an organization that has operated for many centuries as a hierarchal, block and line entity will take time and training to bring about the change we desire. *The Army is focusing our entire team on thinking, acting and operating as an enterprise.*

Building on the successful formation of the Army Enterprise Board (AEB), chartered in 2009, the CMO added the Army Management Enterprise Board (AMEB) in 2010. The Army Management Enterprise Board provides a forum in which the Army may proactively collaborate to help ensure the synchronization and integration of Army-wide issues and the careful deliberation and full consideration of complex issues. It does not replace or supersede published staffing procedures for strategic documents. This Headquarters, Department of the Army- (HQDA)-level advisory body consists of a representative of each HQDA Principal Official and convenes periodically, at the call of the CMO, acting as the senior civilian representative of the Secretary of the Army, to discuss, review and integrate policies, processes, solutions and/or actions to provide advice and assistance to the Secretary of the Army. The Vice Chief of Staff of the Army attends the AMEB in his capacity as the senior representative of the Chief of Staff of the Army. Although not a decision making body, the AMEB may recommend strategy or direction to the AEB or Secretary of the Army.

The Army continues to gain momentum with our enterprise construct. It offers different perspectives to business challenges across human capital, materiel, readiness and services and infrastructure areas. Assistant Secretaries of the Army have been linked to their corresponding military Army Command counterparts. For example, the Assistant Secretary of the Army for Manpower and Reserve Affairs and the U.S. Army Training and Doctrine Command comprise the Human Capital Enterprise; the Assistant Secretary of the Army for Acquisition, Logistics and Technology and the Army Materiel Command comprise the Materiel Enterprise; and the Assistant Secretary of the Army for Installations, Energy and Environment and the Installation Management Command comprise the Services and Infrastructure Core Enterprise. The Readiness Core Enterprise is led by the U.S. Army Forces Command. Core enterprises are groups of like organizations within the Department, generally aligned along the Army's Title 10 end-to-end lifecycle functions. The establishment of core enterprises enables stakeholders to collaborate, *share ideas and propose solutions to common problems.* They share mutual interest, but do not have command and control relationships. The forums are at various stages of taking ownership of their business area purview, developing appropriate governance goals and addressing large, complex cross-enterprise Army issues.

As stated above, in 2009 the Army chartered the AEB. The purpose of the AEB is to advise the Secretary of the Army; it serves as a forum for collaboration and synchronization and is responsible for reviewing strategic Army issues. Recommendations are intended to support Army enterprise-wide results in the best interests of the Army and DoD. The focus of the AEB may also include Army enterprise-wide results in support of national strategy; strategic alignment of the Army with the DoD; Army strategy and policy; Army institutional structures and processes; strategic distribution of Army resources; quality of life for the Army; and maintenance of the all-volunteer force.

Another significant enabler to the success of business transformation is the improved governance of our business system information technologies. The Business System Information Technologies Executive Steering Group brings together the resourcing, materiel development of business information technology systems and Army enterprise-wide alignment and integration of crossfunctional business information technology and processes. We are implementing software suites to modernize, streamline and standardize processes used to manage people, money, programs, equipment and supplies. *The initial benefits include reducing the cost of operating legacy systems, improving financial compliance, reducing inventory, enhancing data quality and streamlining business processes.* The OBT, on behalf of the CMO and in concert with Army business process owners and materiel developers, will guide the direction of the Army business system operations and information technology program initiatives.

Enterprise Architecture

The Enterprise Architecture component streamlines efficient end-to-end business processes aligned to the business enterprise architecture and eliminates or reduces the need to tailor supporting commercial-off-the-shelf (COTS) systems.

The Army has made significant progress developing and validating strategic-level artifacts to define the scope and principles for the Business Systems Architecture. It has also begun development of two high value Army activities: Army Force Generation (ARFORGEN)—a core Army process and the Ammo Enterprise line of business. These architectures are focused on demonstrating 2010 NDAA Business Processes Reengineering requirements (i.e., minimizing COTS customizations and system interfaces) and streamlined business operations (e.g., increased efficiency of end-to-end business processes, improved data quality and lower operational costs). This will be accomplished using an enterprise perspective around end-to-end processes and portfolio management techniques to identify system redundancy to be subsumed in the ERP or eliminated altogether. Currently, the analysis for the Ammo Enterprise line of business has identified more than 20 legacy systems as candidates for migration to the COTS enterprise resource planning software suite.

We are optimizing our business systems architecture to fully support the Army's business functions. The enterprise architecture describes the structure of the Army enterprise along with its business processes, business rules, supporting information technology systems and data. It is a key part of ensuring the Army invests wisely in capabilities that are meaningful. The 2011 Business Systems Architecture and Transition Plan outlined the information technology systems to support the business systems and serves as a roadmap for optimizing business operations and developing a fully integrated digital platform that is aligned with the Army business operating model.

As described in our 2011 Business Systems Architecture and Transition Plan, we have begun to execute our 3-phased approach to establish the Army Business Systems Architecture. *This approach enables the Army's Generating Force to focus on lines of business and the end-to-end processes defined in the DoD Business Enterprise Architecture while leveraging the functional domain architectures.* The approach uses lessons learned from development of the DoD Business Enterprise Architecture as well: end-to-end processes depend upon the basic activities or primitives of an operational architecture. These primitives are the "building blocks" of the Business Systems Architecture. In the architecture consolidation environment, they can be reused and combined to depict the architecture from a core enterprise perspective, as well, from the Generating Force Enterprise Activity perspective.

Phase One, Architecture Consolidation, focuses on establishing the technical environment. Currently, the functional architectures are located in various enclaves and networks, which make them difficult to find and use. Our work underway will establish one technical environment where existing Army architectures (by functional area, as developed by the domain architects) will be readily available to the business community. Phase Two, Architecture Federation, establishes a composite architecture with the assistance of the domain functional architects that represents a rationalized and integrated perspective of all functional architectures. Lastly, Phase Three, Architecture Convergence, will extend the solution architecture provided by the COTS enterprise resource planning (ERP), with the assistance of the domain functional architects for

lines of businesses in the Core Enterprises. During this phase, the integrated processes and best practices of the COTS ERP solution will be adopted as the foundation for the Business Systems Architecture. As each line of business is assessed, unique Army requirements documented in the functional architectures will be identified and used to extend the processes enabled in the COTS ERP solution. Domain functional architects will be instrumental in identifying unique Army requirements and in planning the transition to the target Business Systems Architecture.

The 2011 Business Systems Architecture and Transition Plan provided a high-level roadmap for the transitioning of legacy business systems and data to the Business Process Platform. The Transition Plan implements the Business Systems Architecture and is aligned to the Business Transformation Plan, which serves as a guide to align business operations with the performance priorities of the CMO. The Transition Plan builds upon the framework by identifying specific business areas and systems within each Core Enterprise and the end-to-end business processes they support. Specifically, the Army's Business Systems Architecture and Transition Plan scopes the strategy by lines-of-business within each Core Enterprise and analyzes the specific contribution to the end-to-end business process each system provides. Organizing the transition plan into individual lines-of-business within each Core Enterprise provides a manageable scope and reduces associated risk with the transition and implementation objectives. This approach results in a list of existing business systems supporting an end-to-end business process.

Decision Support

The Decision Support component provides timely, integrated information and analysis to support resource-informed, output-focused, performance-based decision making and internal/external reporting, while ensuring transparency of resources (such as personnel, equipment, facilities, technology and funding). At the core of an integrated management system is "better informed decision making." The decision support component is the activity that will effectively support the analysis, information and useable data for Army leaders to identify trade-offs and develop logical courses of action.

The 2011 ACP, in its new and more robust role as a strategic management document and performance management tool, will use the information and data collected by the business transformation efforts to provide leadership valuable information on which to base their decisions.

The ACP Strategy Map depicts the objectives (ways) that are necessary to accomplish the Army Imperatives and Army Outcomes (ends). Each objective serves a key role in focusing the Army's resources (means)—including people, money, equipment and time—ultimately allowing the Army to better accomplish its mission. The Army will now use the ACP to ensure all transformation efforts, to include Business Transformation, are captured and to drive key future business transformation activities of the Army.

One of the four Army imperatives on the ACP Strategy Map is "Transform to meet the demands of persistent conflict in the 21st Century." Three Transformation Campaign Objectives whose overarching requirement is to effectively and efficiently allocate and use resources to build the best possible force include: Transform the Operating Force (7-o), Transform the Generating Force (8-o); and Transform Business Operations (9-o).

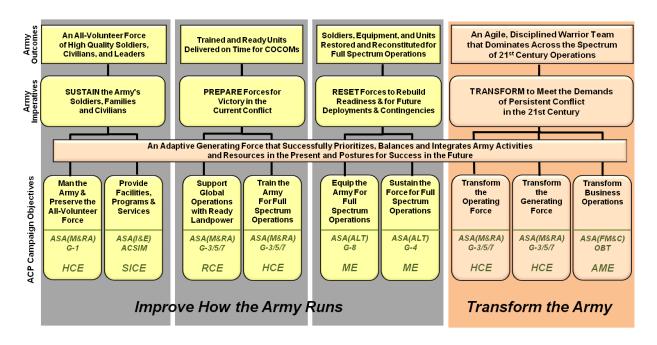


Figure 3.0 - Army Campaign Plan Campaign Objectives

Data and Information Systems

The Data and Information Systems component provides authoritative, timely, accurate, reliable and objective data sources and accesses, manages and provides the data to support analysis and decision making.

As the 2011 Business Systems Architecture and Transition Plan evolves, it will depict additional enterprise concepts such as authoritative data sources (ADSs) and enterprise services. *The CMO will ensure that best practices, such as the adoption of enterprise data standards, are leveraged across the Army.* To facilitate these standards, business initiatives will include the adoption of Army enterprise-wide process and data standards and the elimination of data sources that hinder deployment of enterprise capabilities within the Core Enterprises.

The Financial Management Improvement Plan charts a course to sound financial management by improving internal controls, resolving materiel weaknesses and advancing the Army's fiscal stewardship. The Plan details an integrated path for Army financial improvement culminating in favorable financial audits in Fiscal Year 2017. For systems solutions, the Financial Management Improvement Plan relies on the Army's Business Systems Information Technology strategy and transition plans developed to modernize or eliminate existing systems and develop new systems

in accordance with the 2011 Business Systems Architecture and Transition Plan for business transformation.

This initiative implements Army Directive 2009-03, Army Data Management, which directs that data is a strategic asset and must be managed as such. In order to provide decision makers access to authoritative data in a timely and secure manner, identification of authoritative data and making the data accessible are foundational initiatives. A technical framework and process to expose the data consistently across the Enterprise will support both current and future requirements, lessening the need and expense to reengineer how to expose that data for each individual specific requirement; it sets the conditions for data sharing. The Authoritative Data Business Initiative complements the ARFORGEN Business Architecture and ERP initiatives by leveraging the Army Information Architecture to identify and designate the key enterprise-level ADSs/capabilities. The Army Business Systems Architecture and Transition Plan takes a line of business and end-to-end business process approach that adopts a COTS ERP solution architecture as the core of its business systems architecture while also providing for coexistence with important non-ERP systems and their enabling data. System development investments are now evaluated in terms of how they improve business processes or reduce the complexity of the workflow of the systems being replaced. Migrating and integrating the many workflows resident in the legacy systems to the ERP solution will be a key component of the Army's business process improvement strategy. The ADS registration and approval process supports the Business Systems Architecture and Transition Plan investment management process by providing decision makers with information needed to drive system realignment and consolidation of Army business capabilities embedded in more than 750 Army business systems. Systems that are not identified as ADS will be targeted for retirement or limited investment. Data must be treated as a strategic asset to create and support a network-enabled environment that gives decision makers access to timely and secure authoritative data.

Performance Measurement

The Performance Management component establishes goals, measures and targets that provide senior leadership with the capability to assess performance against the stated business goals (incorporates accountability and incentives to improve performance).

To measure the impact of business transformation, the Army is developing performance metrics for each of the ACP's Campaign and Major Objectives.

The metrics provide valuable insight into various business operations and are brought to life through the use of an automated performance measurement system called the Strategic Management System. This assigns accountability and responsibility to process owners. Accountability and responsibility are tools of empowerment that will help achieve stated Army Outcomes while creating a positive culture that thrives on performance measurement and improvement. Involvement creates ownership, which increases loyalty, and commitment, which increases accountability.

The Business Transformation effort will map existing measures to the ACP. This will align performance measurements to the strategic plan and link assessments to outcomes. To provide a holistic approach to assessing transformation, the Army will implement performance measures that integrate in two directions: vertically and horizontally.

Vertical integration of performance measures motivates and improves performance by focusing Soldiers and Civilians' efforts on the Army's strategic objectives. Horizontal integration of performance measures ensures the optimization of work flow across all process and organizational boundaries. *These performance measures are customer-focused and are used to assess the enterprise-level capability of a process to provide value from the customer's perspective.* Periodic reviews are conducted to gauge progress and determine what corrective action needs to be taken by the leadership.

As performance information is gathered and analyzed, opportunities for reengineering and improved allocation of resources will become clear. The Army will benchmark performance for targeting initial improvement priorities. This approach is critical for selecting initial improvement targets. Once the larger gaps are closed or narrowed, continuous improvement is made possible by maintaining, refining and regularly using performance metrics.

Leadership and Culture

Supporting the six core components of the Army integrated management system are leadership and culture. Armed with a strategic plan, effective governance and timely and accurate data, leaders are able to see the patterns of business performance and understand, with a new perspective, the trends and shifts of which they may have been unaware previously. With an integrated management capabilty, Army leaders will understand vast amounts of information about our business. *For example, leaders will be able to see the root causes of issues more quickly and, as a result, they will be able to adjust and not lose time or waste valuable resources.* They will understand how business systems interact and not unknowingly disrupt or limit performance. Lastly, leaders will understand what matters most—where to apply resources and which business systems or processes to abandon or for which to stop applying resources.

To achieve significant transformational outcomes, the Army must have leaders and certified Lean Six Sigma (LSS) practitioners who have the skills necessary to complete high priority core enterprise projects. Since these types of projects may require the deployment of multiple LSS-certified professionals to address complex issues, our challenge for the program's next phase is to increase the pool of certified professionals available to routinely tackle enterprise level projects and achieve measurable results. LSS seeks to improve the quality, increase the speed and reduce the cost of process outputs by identifying and removing the causes of defects in business processes. The Army continues to improve performance through the Army's LSS program.

Leader Education

In February 2008, Army Leadership put forth a bold education plan for its Military and Civilian senior leaders focused on enterprise management, cost and performance culture and overall leadership development to include these major initiatives:

Army Strategic Leadership Development Program (ASLDP)

The ASLDP is a directed senior leader professional development program, typically focusing on the ranks from COL(P) to LTG and Senior Executive Service Civilians. The ASLDP is broken down into three ASLD courses: a basic course for newly selected Army COLs for promotion to BG; an intermediate course for BG–LTG; and an advanced course that builds on the foundation and momentum created during the basic and intermediate courses. The courses encourage leaders to take a holistic view of Army objectives and resources and act cohesively to effectively and efficiently provide trained and ready forces and capabilities to the Combatant Commanders. By January 2011, more than 350 senior Army leaders have graduated from the ASLDP.

The Cost Management Certification Course (CMCC)

Beginning in October 2010, the Army began offering the CMCC, which provides rigorous cost management graduate education for hand-picked analysts. Each successful graduate is expected to form and mentor a Cost Culture Team within his/her organization. The CMCC is an intense 4-week resident education course taught at the Naval Postgraduate School in Monterey, California. The CMCC is being offered by the Office of the Assistant Secretary of the Army for Financial Management and Comptroller. The CMCC has certified nine classes of cost managers, producing 137 graduates. Eight sessions are scheduled for Fiscal Year 2011.

Continuous Process Improvement (CPI)

Consistent with DoD CPI Program, it is the Army's intent to grow leaders who are competent in CPI methods through the Army's LSS program. The Army conducts Project Sponsor Workshops, Project Identification and Selection Workshops, Green Belt, Executive Black Belt and Master Black Belt courses to provide leaders with an understanding of LSS and CPI methods. Since 2006, Army leaders have used LSS to initiate wholesale changes in our institutional culture, processes, policies and procedures and achieve significant improvements in effectiveness and efficiency.

Clear Guidance

Department of the Army General Order 3, July 2002, delegates authorities, functions and responsibilities to principal officials of HQDA. It defines the business relationships between the Secretariat and the Army Staff. The Secretary of the Army has personally taken charge of its revision. It is the foundation document that defines the "lanes in the road" and is essential to eliminating duplicative responsibilities and ensuring a synchronized effort toward gaining future efficiencies as we reengineer our processes. *We will accomplish a cost-informed culture change by continuing our relevant and progressive leader training.* In due time, this type of

training will be prevalent throughout all Army schools and centers. We are also introducing a number of business initiatives that, when fully implemented, will bring about a change in our culture from one that is budget-based to one that is performance-based and outcome-focused.

SECTION 4: CURRENT ARMY ACTIONS PURSUANT TO TRANSFORMING BUSINESS OPERATIONS

The Role of the Army Campaign Plan (ACP)

Earlier in this report, we discussed the emerging role of the ACP as both strategic planning and performance management elements of our integrated management system. It is important not to understate the value this evolution plays in transforming the Army's business operations. The Army's leadership—including the Secretariat, Army Staff and Core Enterprises—are currently analyzing their designated Campaign and Major Objectives. This integrated approach will provide Campaign Objectives that fully address, incorporate and align the Army's major efforts to achieve the Army's Outcomes, Imperatives and meet strategic requirements.

Campaign Objectives are led by an Assistant Secretary of the Army and supported by an Army staff coordination element and affiliated Core Enterprise. This team will collaborate and synchronize efforts with leaders of other Campaign and Major Objectives, to eliminate overlap and achieve synergy.

Campaign and Major Objectives will have three to five metrics that allow Army Senior Leaders to measure progress and success of that objective. At a minimum, Campaign and Major Objectives must also incorporate the overarching and foundational requirements. There will be tasks and responsibilities that organizations must accomplish to complete the Campaign and Major Objectives.

We are establishing recurring updates from the Campaign Objective Leads within ACP forums, helping Army Senior Leaders effectively and efficiently manage Army transformation and synchronize efforts across Army processes. We will continue promoting existing Army forums that discuss operational- and strategic-level Decision Points and Special Topics, enabling Army Senior Leaders to make informed and timely decisions.

The 2011 ACP provides the Army with a clearer common operating picture. It conveys Army Senior Leaders' current priorities and guidance, while also providing a mechanism for Campaign Objective Leads to provide timely feedback and meaningful assessments. Through the document and forums, the ACP will continue to help Army Senior Leaders manage, synchronize and transform Army business processes to effectively and efficiently achieve the Army's Imperatives, Outcomes and strategic requirements.

Lastly, specific Army Outcomes will support the move to align and synchronize the Army's processes, including The Army Plan and Planning, Programming, Budget and Execution process;

incorporate the roles and responsibilities of the Army Management Enterprise and Core Enterprises; institutionalize feedback within the Army processes; and instill a cost culture.

Business Systems Information Technology

We continue to build on the early successes of this new enterprise governance body, the Business Systems Information Technologies Executive Steering Group (BSIT-ESG). As stated earlier in this report, the BSIT-ESG is an Enterprise Governance component of our integrated management system. An immediate accomplishment of this group was the revision and publication of an Army Business System Information Technology Strategy. While the focus of this strategy was the Army's four Enterprise Resource Planning (ERP) programs, this strategy describes the Army's *plan* for transforming the entire portfolio of information technology (IT) business investments that reflects an end-to-end business perspective. This strategy embraces an enterprise approach to business systems development and sustainment driven by end-to-end processes that better reflect the way we operate and behave. One of the most important end-to-end business processes for the Army is deploy-to-redeploy in support of Army Force Generation (ARFORGEN). The result of adopting this view will be improved alignment between the Generating and Operating Force models, more effective requirements development and quicker adoption of business solutions at lower life-cycle cost.

Inherent in this enterprise approach is a holistic view that considers the wider impacts of our present and proposed solutions and is driven by enterprise architecture and portfolio management. While the Army has substantial investments in our program-of-record ERP systems, which are about to provide significant returns, this new enterprise approach ensures that these efforts' contributions to managing the Army enterprise will be realized and that they will be effectively managed for the full enterprise through a portfolio lens.

The Army Business System IT Strategy and the revised governance of our end-to-end process are intended to ensure that Generating Force activities are as efficient and effective as possible in support of ARFORGEN to supply the Combatant Commands with one corps, five divisions, 20 brigade combat teams and 90,000 enabling forces on a rotational cycle that is predictable and sustainable. Additionally, our revised Army Business System IT Strategy will spearhead continued business process integration and put us on a firm foundation to stand the test financial audits by Fiscal Year 2017 and achieve readiness at best value.

To guide the execution of this *Strategy*, governance bodies will use the Army's business system architecture, which is the construct that defines both the content of the Army integrated management system and enterprise capabilities-based portfolio management. The Army's business system architecture is aligned with the Department of Defense (DoD) Business Enterprise Architecture to ensure the Army's business systems IT portfolio and other approaches (including process improvements, policy changes and services) is fully compliant with DoD policies and standards.

While the Business Enterprise Architecture translates the DoD strategy into requirements that inform and constrain business operations, the Army's Business Systems Architecture provides a set of end-to-end business processes that provide a foundational blueprint for Army business transformation that helps to ensure that the right capabilities, resources and materiel are rapidly delivered to our warfighters. Without a well-defined set of core end-to-end business processes that define enterprise management, the Chief Management Officer (CMO) runs the risk of sanctioning multiple projects that promote functional area efficiency over enterprise excellence. In other words, the Army may locally optimize domain functions while sub-optimizing from an Army enterprise perspective. Furthermore, without these processes, it is difficult to conduct business process reengineering as prescribed in Fiscal Year 2010 National Defense Authorization Act.

Nowhere will the effects of the enterprise approach be felt more than in improving ARFORGEN. Why? It is through the use of an end-to-end business process approach that the Army is best able to harmonize the business, network and battle command perspectives of the enterprise Army (The "Army Enterprise," as defined by the Army's Chief Architect (G-3/5/7), comprises 3 mission areas: Battle Command, which focuses on the mission of the Army Operational Forces; Network, which defines technologies and transport capabilities; and the Generating Force Enterprise Architecture (Business Mission Area) that the Business Systems Architecture and Transition Plan uses to improve the Generating Force needed to train, equip and sustain the Operational Force.) In this way, the Army begins to truly "see itself" by directly integrating business capability development to ARFORGEN and realizing the promise of significant increases in the speed and reduced cost of the maintenance "tail" of our legacy business systems.

Reforming the Requirements and Resource Processes

Reno Study

The overarching issues associated with complexities of balancing a broad range of requirements (manning, equipping, training and sustaining) and limited resources to support a force in persistent conflict with an adaptive enemy has challenged the Army's Generating Force. In response, the Army took action and ordered a study to obtain recommended solutions to assist in reforming our requirements and resource processes. This study is commonly known throughout the Army as the Reno Study. Cognizant of the imperative to ensure the Army meets requirements while building affordable capabilities to execute the Army's mission across the full spectrum of conflict, the study team, led by LTG(R) Bill Reno, analyzed existing requirements and resourcing processes and provided recommendations to reform requirements generation and better align it with programming and budgeting execution. The main effort of the study began January 2009 and completed June 2009, consisting of more than 70 interviews conducted with senior civilian and military personnel having responsibilities in the existing processes, coupled with an equally extensive review of existing literature and relevant past studies. The interviews focused specifically on defining the responsibilities, authorities and accountability of decision makers at

every level, because absences of clearly defined responsibilities are often systemic problems. The study concluded and documented, in 13 chapters and eight annexes, 111 recommendations for process improvement.

The Reno Study served as a foundation and starting point for true reform and transformation of processes into flexible, measurable and adaptive functions. Through the Reno Study, it was important to ensure that current processes execute effectively and efficiently by applying metrics to test validity of design change and providing a gauge to measure performance-based analysis. The Army Leadership will determine the appropriate point at which the necessary intellectual capital invests in the mission to decompose our current processes, using an outcome-based model to reconstruct the best design structure to support the Army Business Architecture. In an adaptive paradigm, the functions will serve to guide actions; however, flexibility in design will allow the Army to reset as required to manage external flux and achieve balance of requirements and resources.

In 2010, staff agency or command headquarters conducted detailed analysis and planning on the study's individual recommendations. Each organization will provide an implementation plan to execute recommendations, propose a more appropriate course of action to achieve the outcome or portend why the recommendation is not executable.

Capability Portfolio Reviews (CPRs)

In February 2010, the Army established the CPR Strategy. In short, the purpose of the CPR Strategy is to conduct an Army-wide, all-component review and assessment of materiel requirements across all Army Capability Portfolios. The strategy directed the Under Secretary, in his role as the CMO, in concert with the Assistant Secretary of the Army for Acquisition, Logistics and Technology, the Vice Chief of Staff of the Army and other key stakeholders, to make recommendations to the Secretary of the Army to validate, modify or terminate requirements.

The most senior leaders of the Army, led by the CMO with the support of the Vice Chief of Staff, have undertaken this massive effort to conduct an Army-wide reconciliation of requirements. Early successes of these CPRs have 1) yielded a cost avoidance/savings of more than \$8 billion in materiel cost across the Program Objective Memorandum; 2) facilitated development of needed Army Strategies (Ground Combat Vehicle and Tactical Wheeled Vehicle strategy); 3) enabled portfolio decisions based on recommendations from Headquarters, Department of the Army (HQDA), Commands, and PM (Precision Fires, Air Missile Defense (AMD), Ground Combat Vehicles, etc.); and 4) resulted in recommendations to transfer AMD to the Missile Defense Agency with HQDA oversight.

Adjusting Army Culture

Our No. 1 business initiative, as stated in the 2011 Business Transformation Plan, is the Cost Culture Business Initiative. The goal of this initiative is to contribute to mission effectiveness by improving our ability to make resource-informed decisions. Instilling a cost culture requires that we enable all decision makers—through leadership, education, discipline, and experience— to more effectively manage Army resources. The Cost Culture Initiative will improve the Army's cost effectiveness by providing greater organic cost competency to Army commanders. It will enable leaders and managers to make resource-informed decisions and effective trade-off decisions, and to focus on improving the efficiency and effectiveness of their operations. The Army's contribution to national security will be enhanced through increased mission effectiveness and capabilities. When there is a gap between mission and money, senior executives will engage higher headquarters in meaningful discussions that result in increased funding, reduced requirements or more cost-effective solutions (the value proposition). We are working hard to ensure resource management systems will support commanders and operational leaders with timely, accurate and reliable cost information that is used in disciplined, frequent cost management reviews. Internal and external stakeholders (Congress and the American people) will have the increased assurance that we know how to use resources in the best interest of national security. By focusing the entire organization on Readiness at Best Value, we are beginning to establish a cost and performance culture in which leaders better understand the total cost of the capabilities they use and incorporate cost considerations in their planning and decision-making processes. Having an Army management team that thinks, acts and operates for the good of the entire Army, as opposed to the good of individual organizations, will allow us to shift funds to areas of higher priority more quickly.

To achieve near-term results concurrent with implementing an integrated management system, we are using a top-down approach to develop a culture of continuous process improvement (CPI). This approach contains the following focus areas:

- Mapping and integrating the Army's management enterprise for strategic alignment and integration.
- Bringing operational adaptability and agility to our Generating Force functions through the use of CPI in the theater of operations.
- Continually progressing from grassroots efforts to more complex enterprise-level projects.
- Expanding the education of our CPI practitioners with new skills and tools.
- Adapting and empowering the Army workforce.
- Developing education and communication that prepares our military and civilian senior leadership with a new vision of how the Army can operate in the 21st century.

Within our business processes, we are increasing performance by analyzing and improving the areas of reliability, process cycle times and costs in terms of less total resource consumption, quality and productivity. These activities provide incremental performance improvements to long-standing, yet valid, approaches to our core business. Processes are assets of an organization,

much like people, facilities, equipment and information. Our integrated management and solid understanding of our processes will pay off through organizational performance. Processes, moreover, are somewhat special because they are the transports that synchronize the other assets and aspects of change. They are the organizing framework, that is, the glue for all other components. Furthermore, these processes reflect the culture of an organization that facilitates cultural transformation.

SECTION 5: FUTURE ARMY BUSINESS TRANSFORMATION ACTIONS

Thinking, Acting and Operating as the Army Enterprise

Underpinning the enterprise approach is the emphasis on understanding and managing our enterprise through end-to-end business processes to better reflect the way we operate and behave. In essence, this approach is as much about changing Army culture as it is about business architecture needed to address the complex business problems of the Army. As the Army matures into an enterprise-focused, end-to-end driven organization, it will deliver value through standardized, repeatable process implementations that not only meet the mandate and intent of National Defense Authorization Acts (NDAAs) for Fiscal Years 2009 and 2010, but will also provide a solid cultural foundation for Army transformation for years to come.

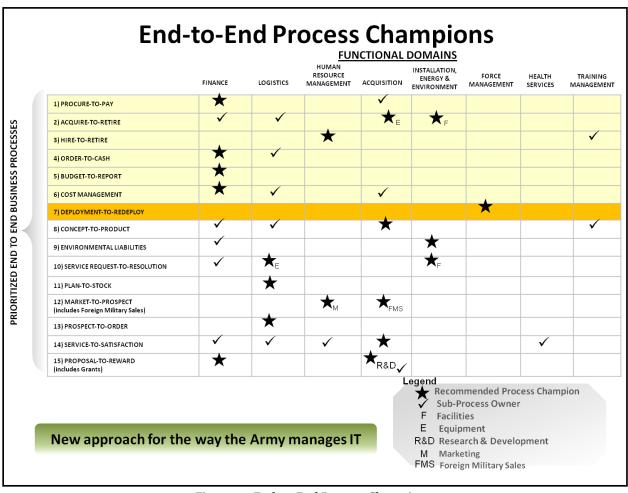


Figure 5.0 End-to-End Process Champions

The most significant business transformation work for us in 2011 and beyond lies in the area of our Enterprise Resource Planning (ERP) Systems. Our revised ERP Systems Strategy will serve as a foundational document regarding the development, acquisition, deployment and use of major automated business systems. The functional proponents for the four core ERP programs (Logistics Modernization Program; General Funds Enterprise Business System; Global

Combat Support System-Army; and the Integrated Personnel and Pay System-Army) joined with the other elements of the Army enterprise under the partnership of the OBT to review the role and prospects for our business systems efforts. The ERP task force examined the alignment of the Army's business goals and its ERP systems; the linkages between the Army's organization, its business processes and their governance; and the relationship of its processes to the Department of Defense standard processes. The Army found:

- The Army's core ERP systems support the achievement of a broad range of Army functional and corporate goals, as well as an array of statutory requirements.
- Among these goals, achieving full financial auditability by Fiscal Year 2017 is of particular importance to the Army. The core ERP systems and their full, integrated implementations are tied to the achievement of this significant goal.
- Current ERP systems' scope does not cover all activities in the Army Force Generation (ARFORGEN) business process, resulting in the need to continue the use of a mix of ERP and non-ERP capabilities to support ARFORGEN.
- End-to-end processes are how the Army envisions its business to operate, and a governance process must be developed to define responsibilities and authorities for the process champions for each such end-to-end process so that Title 10 functional organizations are maintained while enabling the execution of effective and efficient business activities.
- Army end-to-end business process execution still relies on a range of non-ERP systems' integration with the Army's core ERP systems; an examination of those non-ERP systems' functions and their potential gaps/fits with the ERPs may yield additional business process improvement opportunities.
- A detailed understanding of Army's end-to-end processes is a necessary input to a
 management analysis that is used to support decision making that involves business processes
 and their automation.
- Not all sub-processes lend themselves to ERP systems solutions, and technology is not always
 the best way to carry out every sub-process; non-materiel solutions, such as services, policy
 changes or manual processes may sometimes be required to achieve best value for the Army.
- The advantages of ERP systems, with their master data used in multiple processes, are evident, and their advantages in facilitating end-to-end processes are that much greater when viewed from an enterprise perspective than when viewed solely through functional perspectives.
- As greater detail is achieved in sub-process mapping of the end-to-end processes, and as legacy and ERP systems are mapped to those sub-process steps, the Army will articulate which systems investments yield what benefits for the operation of the Army business, and those insights will form the basis for systems decisions in the future.

The main insight for the Army is that organizing our business solutions solely around functional proponents does not capture the full end-to-end business processes, such as "acquire-to-retire" or "procure-to-pay," which are cross-functional in nature. *Henceforth, the consideration of*

such solutions must be oriented along these common business processes vice Title X functional perspectives, and the considerations must include the full panoply of possible solutions, including services, process improvements and non-ERP information technology solutions. The major tasks required during the six months subsequent to the Secretary of the Army signing the ERP Strategy include institutionalizing this new perspective for the Army, and they span issues of:

- Enterprise Governance and Enterprise Architecture
- Methodology Development (i.e., Enterprise Cost-Benefit-Risk Analysis)
- Enterprise Portfolio Management and Enterprise Planning

A major deliverable at the conclusion of the 6-month initial implementation phase is a 2-year implementation plan that will specify how the Army's business management processes will be affected by the findings of this ERP Strategy effort and their consequences. At the end of the 2-year implementation, all Army management efforts will support and reflect the new enterprise approach.

Institutionalizing Army Business Initiatives

With the OBT coordination and staffing, Assistant Secretaries of the Army and Army Staff Principals submitted business initiatives that align people, processes and technology more closely with Army vision and business strategy. While all of the Army's business initiatives fall within the Chief Management Officer's (CMO's) area of interest, a subset of current initiatives will reach across the entire Army enterprise. This subset, defined as Army Enterprise Business Initiatives are being identified and evaluated. The CMO will champion these as they are aimed at improving business operations and warfighter support, including streamlining the civilian hiring process, improving the end-to-end procurement and payment process and a providing a holistic review for improving family and Soldier support programs, to name a few. Section 6 provides a progress update on our business initiatives introduced in the 2011 Army Business Transformation Plan.

Conclusion

Consistent with Section 908 of the NDAA for Fiscal Year 2009 (Public Law 110-417), we have published our 2011 Business Transformation Plan and Business Systems Architecture and Transition Plan. Both of these documents will serve as roadmaps in carrying out our business transformation initiative. As detailed in this report, we have significant accomplishments in 2010 but we also have a great deal of work ahead of us. The entire Army staff is committed to excellence in the area of business transformation. We have revised our strategic documents (Army Campaign Plan); we have created necessary governance bodies (Business Systems Information Technologies Executive Steering Group (BSIT-ESG) and the Army Management Enterprise Board) to help us aggressively address the toughest challenges before us. We have the right focus and the right leadership team in place to manage real reform in our Army.

SECTION 6: ARMY BUSINESS INTITIATIVE FACT PAGES

Our business initiatives seek to improve Army readiness and our warfighting capabilities in an era of declining budgets and to continually improve the efficiency and effectiveness of the Army's Generating Force, ensuring careful stewardship of taxpayer dollars. Business initiatives are linked closely with other process improvement efforts and the daily management of the Army Enterprise, leveraging an integrated management system to deliver "Readiness at Best Value." Army Business Initiatives are focused on improving readiness and warfighting capabilities; improving cycle time; eliminating waste or redundancy; improving quality, reliability and customer satisfaction; and creating the best and most affordable land forces possible within budget constraints. The Army staff is reviewing how each Business Initiative aligns to the appropriate Major Objectives found in the Army Campaign Plan (ACP) Strategy Map. This will enable the Army to identify strategic capability improvements and efficiencies as they apply to the Army Campaign Objectives.

Two Types of Initiatives (Army Enterprise and Business)

Army Enterprise Business Initiatives are those initiatives that are broad and transformational across the entire Army enterprise. These initiatives will require multiple organizations/command collaboration, innovation and Senior Leader engagement to ensure resourcing and implementation success. Consideration of an enterprise business initiative requires a robust business case and cost-benefit analysis prior to Army Senior Leader endorsement. The Strategic Management System (SMS, Figure 6.0 below) is being leveraged in a pilot program to enable business initiative sponsors to enter data that will inform Army Senior Leaders appropriately, and on a recurring basis, for each enterprise business initiative.

The Chief Management Officer (CMO) will report and update the progress of initiatives in the annual Report to Congress. Current enterprise business initiatives include Cost Culture, Procure-to-Pay, Civilian Workforce Transformation, Holistic Review of the Army Family Covenant, Enterprise E-mail and Calendar, Service Contract Governance, and Army Energy Security and Sustainability.

Business initiatives are Command-, Agency-, or Organization-focused process improvements that advance the effectiveness, efficiency and alignment of the Army's Generating Force to achieve the Army's Campaign and Major Objectives or Secretary of the Army priorities. These initiatives generally fall within the area of responsibility, and span of control, of a single Commander or Senior Civilian Executive, have a shorter implementation period and can be implemented within existing resourcing capabilities.

Progress Reviews, Accountability, Policy Development and Tracking
The SMS provides the capability to track the progress of business initiatives and Army Campaign and Major Objectives in real time. SMS is being configured to provide Senior Leaders and

Business Initiative sponsors with initiative details, to include the following: milestones, desired end-state and outcomes, resourcing implications and metrics for performance tracking and accountability. *Business Initiative sponsors are developing metrics and identifying data sources for business initiative tracking*. Progress updates are currently provided to Army Senior Leaders in the CMO's weekly staff meeting with the Assistant Secretaries of the Army. It is envisioned that the SMS dashboard will be at full operating capability, supporting in-progress reviews and a real-time capability for results reporting by the end of 2011. To institutionalize and sustain a culture of continuous process improvement, stewardship, and "readiness at best value," Army policies are being developed, adapted and disseminated to solidify them in our doctrine.

This Report to Congress provides an update on the Army Business Initiatives that were introduced in the 2011 Army Business Transformation Plan. Army Enterprise Business Initiatives will receive special attention based on their broader impact and potential for larger cost savings across the Army. As the process/policy is developed, the list of business initiatives will shrink or expand as more worthwhile ideas are nominated, and some initiatives are closed out. The order of initiatives reflects a prioritization based on alignment to external and internal stakeholders.

Army Business Initiatives

- 1. Cost Culture
- 2. Financial Management Improvement Plan
- 3. AcqBusiness
- 4. Services Contract Governance (formerly: Strategic Sourcing Process and Program Governance)
- 5. Procure-to-Pay Pilot
- 6. Authoritative Data
- 7. Business Systems Information Technology Governance
- 8. 2011 ACP
- 9. Enterprise Traceability
- 10. Army Force Generation (ARFORGEN) Business Architecture
- 11. Army Data Center Consolidation Plan
- 12. Transfer of the Directorate of Logistics to Army Materiel Command (AMC) from Installation Management Command
- 13. Civilian Workforce Transformation
- 14. Civilian Hiring Reform
- 15. Army Energy Security and Sustainability
- 16. Holistic Review of the Army Family Covenant
- 17. Fleet Planning
- 18. Army Forums Review
- 19. Army Civilian Leader Development
- 20. Fleet Management Expanded
- 21. Army Item Unique Identification
- 22. Potential Transfer of AMC Special Installations to the Army Installation Management Command

- 23. Enterprise E-mail and Calendar
- 24. Army Enterprise Service Desk
- 25. Army Corrosion Prevention and Control
- 26. Secure Mobile Workforce
- 27. Small Business Utilization

Advanced Collaboration and Oversight of Army Business Initiatives: The OBT and its SMS Program Office are collaborating across the Department of the Army to establish senior leader situational awareness of the Army's Business Initiatives through a common operational dashboard. The effort is in its infancy; the effort partners SMS with the Orion collaboration software tool to provide the proper environment and strategic dashboard to better assess the performance metrics and status of the Army's Business Initiatives. This tool will allow greater horizontal and vertical integration, and enable greater effectiveness and efficiency in Army governance of the business initiatives. Figure 6.0 depicts the proposed layout for each initiative. Each initiative sponsor can populate the data in the dashboard, and any user can access the initiative's status by clicking on the corresponding block on the dashboard.

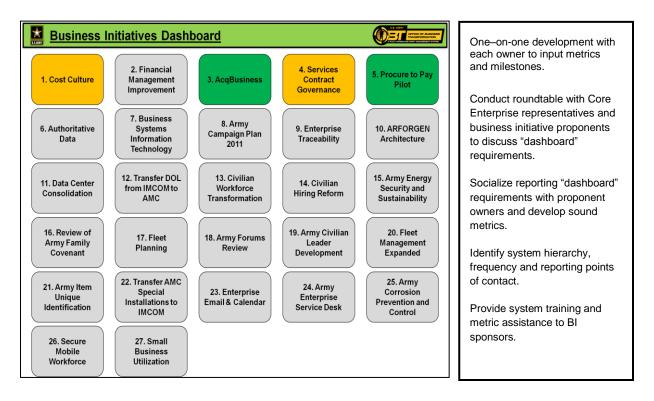


Figure 6.o. The Strategic Management System dashboard initial screenshot.

1 Cost Culture

1.1 Business Initiative Overview

Leadership-driven cost management is a tool that can be used to accomplish the mission at best value. The goal of this initiative is to contribute to mission effectiveness by improving our ability to make resource-informed decisions. Cost culture requires that we enable decision makers – through leadership, education, discipline, and experience – to more effectively manage Army resources.

- The Army needs a smart way to control the cost of its missions. Leadership-driven cost management is a tool that can be used to accomplish the mission at best value.
- The goal of this initiative is to contribute to mission effectiveness by improving our ability to make resource-informed decisions. Cost culture requires that we enable decision makers—through leadership, education, discipline, and experience—to more effectively manage Army resources.

1.2 Business Initiative Progress

- The Under Secretary of the Army and Vice Chief of Staff of the Army directed that all unfunded requirements and new or expanded program proposals submitted to the Secretary of the Army, Chief of Staff, Army, Under Secretary of the Army or Vice Chief of Staff of the Army be accompanied by a thorough Cost-Benefit Analysis (CBA).
- Cost Management Education and Training:
 - Beginning in October 2010, the Army began offering the Cost Management Certificate Course (CMCC), which provides rigorous cost management graduate education for hand-picked analysts. Six CMCC sessions were conducted in Fiscal Year 2010, producing 137 graduates, and eight sessions are scheduled for Fiscal Year 2011.
 - Developed and delivered a 4-hour training program to support CBA development within HQDA. In Fiscal Year 2010, 1,066 HQDA staff members received CBA training. Training continues in Fiscal Year 2011.
 - Developed and delivered cost management training in concert with the deployment of the General Fund Enterprise Business System (GFEBS) to facilitate the cost measurement needed for cost management reviews. In Fiscal Year 2010, more than 1,500 Army staff individuals received cost management training in advance of GFEBS deployment.
- Army infrastructure and policy guidance was established to support the implementation of CBA evaluation:
 - o The Army CBA Guidebook published in January 2010.
 - o The Cost-Benefit Analysis Review Board (CBARB) established to review CBAs submitted to HQDA. In Fiscal Year 2010, 114 cost reviews/CBAs were submitted to HQDA from more than 30 Army organizations.
 - o CBARB Standard Operating Procedures published.
 - o CBA Helpdesk established to assist CBA developers.

- o CBA-automated workflow tool developed to provide status of a CBA throughout the review process to increase transparency and accountability.
- On January 7, 2011, the Assistant Secretary of the Army for Financial Management and Comptroller signed a memo, Subject: Implementation of Cost Management to Strengthen Financial Management, that (a) asks commanders to whom GFEBS has been deployed to conduct quarterly reviews and (b) encourages all commanders to use CBA and cost management program assessments (e.g., Cost Management Maturity Model) as part of an overall cost management program. This memo identifies cost management initiatives that support current draft ACP Major Objective 9-5, "Strengthen Financial Management."

1.3 Business Initiative Future Milestones (Anticipated)

- Establish a baseline for the number of organizations executing cost management process reviews in Fiscal Year 2011. Measure results quarterly, with target to achieve 90 percent of Army organizations executing quarterly reviews by Fiscal Year 2013.
- Establish a baseline for the number of organizations utilizing CBAs in Fiscal Year 2011.

 Measure results quarterly, with target to achieve 90 percent of Army organizations making resource-informed decisions using CBA by Fiscal Year 2012.
- Establish a baseline index score by organization in Fiscal Year 2011, utilizing the Cost Management Maturity Model. Measure results biannually to assess percent increase from baseline or previous period by Command.

The initiative has no completion date. Effective adoption of a Cost Culture requires a permanent focus on the new mindset and behaviors so that cost effectiveness becomes an Army core value.

1.4 Business Initiative Alignment to the 2011 ACP

- The Cost Culture Business Initiative and its associated performance metrics directly align to the 2011 ACP Strategy Map Major Objective 9-5, "Strengthen Financial Management."
- Department of Defense (DoD) cost and efficiencies policy guidance:
 - Memorandum, Secretary of Defense, December 27, 2010, Subject: Consideration of Costs in DoD Decision-Making.
 - Memorandum, Secretary of Defense, August 16, 2010, Subject: DoD Efficiency Initiatives.

2 Financial Management Improvement Plan

2.1 Business Initiative Overview

- Goals:
 - o Increase the effectiveness of the Army's business processes and systems.
 - o Improve the stewardship of resources: financial, personnel and mission-critical assets.
 - Implement operational efficiencies with improved financial information to allow for resource-informed decisions.

Approach:

- Conduct business process discovery, evaluation and corrective action efforts by assessing and implementing effective internal controls throughout budget distribution, budget execution and asset management processes.
- Assess systems, including enterprise resource plans, against federal systems and accounting standards and correct identified deficiencies.
- o Verify completeness and existence of mission-critical assets.
- Utilize interim audit readiness examinations by independent public accounting firms to provide iterative validation of our approach.

2.2 Business Initiative Progress

- On target to meet Fiscal Year 2011 milestones.
- Recent contracting-related delays caused a 6o-day work stoppage.
- Assert as audit-ready the Army General Fund Appropriations Received—Completed September 28, 2010.
- Began field work in January:
 - Budget execution process assessments—GFEBS Wave 1 sites (Ft. Jackson, Ft. Stewart and Ft. Benning).
 - Existence and completeness—Ft. Bragg.

2.3 Business Initiative Future Milestones

- Fiscal Year 2011:
 - Assert existence and completeness of 97 percent of Army aviation assets—On
 Schedule for completion date of March 31, 2011.
 - Begin examination of SBR-related processes at GFEBS Wave 1 sites—On Schedule for completion date of April 30, 2011.
- Fiscal Year 2012:
 - o Begin examination of Statement of Budgetary Resource (SBR)-related processes at GFEBS Wave 1 and 2 sites—On Schedule for completion of February 1, 2012.
- Long-Term/Future milestones:
 - Assert as audit-ready the Army General Fund Statement of Budgetary Resources on October 1, 2014.

- Assert as audit-ready the Army General Fund principal financial statements (Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources) in Fiscal Year 2017.
- Future metrics will track:
 - o Army Financial Improvement Plan milestone tasks and their completion.
 - The number, dollars and percentage of mission-critical assets with existence and completeness validated.

2.4 Business Initiative Alignment to the 2011 ACP

- Aligns with ACP Major Objective 9.5—'Strengthen Financial Management'.
- Audit readiness efforts to concurrently meet the requirements of ACP Major Objective 9.5 and Business Initiative #2.
- Executing the Army Financial Improvement Plan resulting in strengthened Army business processes and an improved financial environment.

3 AcqBusiness

3.1 Business Initiative Overview

The Army is embracing and reemphasizing the importance of "enterprise" concepts in its efforts to be more effective. This emphasis is having many long- and short-term impacts in Army planning. One short-term impact is the Acquisition Community's ongoing initiative for changing how it manages its investments in business systems and services. The AcqBusiness initiative is the Acquisition Community's strategy for changing how information resources are managed; how information technology (IT) systems and services are developed and delivered; and how

information is governed and managed.

The Acquisition Community has historically taken a decentralized approach to IT management by empowering Program Managers (PMs) and Program Executive Officers (PEOs) with the ability to use The AcqBusiness approach to managing Acquisition Enterprise IT investments promises substantial improvement to enterprise agility and a path to the data transparency that has become a key goal of both ASA(ALT) and AMC leadership. Agility and transparency, at relatively low cost, enable the Acquisition Community to better meet its mission requirements and the expectations of the Soldier, the Army, the DoD, Congress and the taxpayer.

program dollars (dollars programmed for the equipment required by the soldier) to purchase, develop and implement the IT tools they require to successfully manage their programs. The cost for these tools is embedded in the overall program cost. This approach, however, is now recognized as problematic as the resulting locally optimized IT solutions preclude enterprise agility and do not create the data transparency necessary to manage and optimize the enterprise and its contribution to the Army.

This decentralized approach has resulted in PM and PEO organizations that have become microenterprises in their own right. Information, the lifeblood of decision making, is shared beyond those microenterprises only at great cost in time and effort, and often without the vital context that makes the information reliable. The inevitable outcome of the decentralized approach to IT is a wide variety of locally optimized IT business systems that do not interoperate effectively, are often duplicative, and when viewed together, are expensive and unable to meet enterprise needs.

3.2 Business Initiative Progress

Increments of business capability promised and delivered in Fiscal Year 2010 included:

- Organizational Clothing and Individual Equipment Management System
- Requirements Traceability System prototype
- Prototype Program Schedule Management System
- Materiel Readiness Tracking System
- Total Asset Fielding Tracking System

- Acquisition Program Baseline v.1
- ASA(ALT) Program of Record Tracking and Synchronization
- Weapon System Review pilot
- Web Based Requirements Tool v.1
- Management Decision Review support tool

These capabilities are delivering value for the investments:

Organizational Clothing and Individual Equipment (OCIE) Management System provided \$69 million in cost offset by providing visibility of financials linked to OCIE expenditures. HQDA G-4 was able to identify all OCIE expenditures and reduce duplicative ordering.

AcqBusiness rapidly delivered the Requirements Traceability System (RTS) prototype to support the Mine Resistant Ambush Protected (MRAP) Vehicle Program Office in its Requirements Management Process Lean Six Sigma (LSS) Project. This project resulted in \$2.041 billion cost avoidance in Army MRAP funding requirements from that required in Joint Urgent Operational Needs Statement and the Operational Needs Statement (ONS) estimates. The RTS prototype played an instrumental role in completion of the LSS project and is being evaluated for further application to program needs.

The Acquisition domain's investment in architecture is generating cost efficiencies. Investments in Enterprise Architecture during Fiscal Year 2010 resulted in the identification of redundant architecture tools, the elimination of which resulted in a \$0.5 million avoidance in annual license costs.

The Program Schedule Management System prototype demonstrated the ability to use Project Web Access (the enterprise version of Microsoft Project) and SharePoint for schedule integration. These collaboration tools enable visibility into multiple projects and exposure of project dependencies. This capability is being explored for use across the Acquisition Community and as an automated data feed for the Army Program of Record Tracking and Synchronization (APORTS) application.

The Acquisition Program Baseline (APB v.1) module has enabled standardization of APB reporting across the Acquisition Community and facilitated the execution of Weapon System Review (WSR). The WSR pilot module links programs to funding dollars. It is linked to the APORTS tool, which exposes the impact of program slips on other programs. These capabilities are maturing to assess readiness for Advanced Concept Technology Demonstrations (ACTD) insertion, predict when one program's schedule delay impacts other programs and more accurately determine when capabilities will be ready for delivery to Table of Organization and Equipment units.

AcqBusiness Portfolio Management activities in Fiscal Year 2009 and 2010 have resulted in the retirement of the following systems:

- Procurement History Record Public Download Utility.
- Acquisition Information Management—this system was transitioned to AcqBusiness and deleted as a stovepipe system and incorporated into an Enterprise Architecture.
- Virtual InSight—this system was transitioned to AcqBusiness and deleted as a stovepipe system and incorporated into an Enterprise Architecture.
- Army Test and Evaluation Command Correspondence Tracking System— transitioned to an Enterprise solution under Operational Test Command Web Portal (OTCWEBPORT).
- DD350 Web: contracting and small business tool.
- AcqBiz DEAL: development and testing environment for AcqBusiness—this has been moved to a secure commercial facility to leverage the cloud environment used by the Intelligence Community.
- Budget, Acquisition and Security System—this will not be released into production; no system identified to replace functionality.
- Joint PEO Chemical and Biological Defense-Integrated Digital Environment (CBD IDE) –, legacy system was transitioned to PEO Command, Control and Communications-Tactical (C₃T) infrastructure and retired; replaced by Enterprise PEO C₃T Team portal application, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance Acquisition Network.
- Integrated Product Data Management System—retired and replaced by Tactical Vehicle Product Data Management System

3.3 Business Initiative Future Milestones

AcqBusiness Fiscal Years 2011 and 2012 plans include continued incorporation of industry best practices in architecture and infrastructure, leveraging cloud technologies for more efficient use of hardware and cost efficiencies to the Army. AcqBusiness will continue to eliminate redundant capabilities and infrastructure. AcqBusiness will implement Data Governance and Data Standards to ensure Acquisition data is authoritative. AcqBusiness will modernize infrastructure platform licenses, establish and maintain a metadata repository and define the Enterprise Data Models. These activities will enable the analysis of technology options to arrive at the most efficient solution for each capability fielded in future increments.

Near term of AcqBusiness Capabilities will include 1) Identity Access Management capability that will allow users to see information based on their role; 2) consolidation of several existing portals so users can access more applications through one single URL; 3) an Executive Dashboard in which leaders can begin to integrate and display data from the PMs/PEOs; and 4) Rapid Acquisition Rapid Equipping Common Operating Picture dashboard that will enable collaboration among ASA(ALT) and Army Staff and acquisition professionals to fulfill urgent warfighter requirements.

3.4 Business Initiative Alignment to the 2011 ACP

This Business Initiative aligns to (9-6) Transform Business Systems Information Technology and (9-7) Improve Business Systems Information Technology Governance of the Army Campaign Plan.

4 Services Contract Governance (formerly: Strategic Sourcing Process and Program Governance)

4.1 Business Initiative Overview

Services contracts account for more than 50% of the Department of Defense (DoD) expenditures, and is executed in a decentralized manner without an enterprise view of execution. Analysis of the "FY 2009 DoD Spend Analysis" for the Army indicates that the Army spent in excess of \$83B for service contracts. On May 18, 2010, the Army Materiel Command / Army Contracting Command briefed strategic sourcing governance to the Chief Management Officer (CMO) as part of his Business Portfolio Review process. Improving Army Strategic Sourcing and implementing a program governance structure will dramatically improve goods and services contracting and significantly contribute to the recent Secretary of Defense mandate calling to reduce costs across the Services.

4.2 Business Initiative Progress

- On September 14, 2010, the USD (AT&L) issued the Better Buying Power memorandum, which included a requirement for each Component Acquisition Executive to establish a Senior Manager for Services. On November 1, 2010, the Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASA (ALT)) established a Deputy Assistant Secretary of the Army for Services (DASA(S)) to fulfill this mandate and to be the Army's senior strategic manager responsible for governance in planning, execution, strategic sourcing and management of services contracts.
- The Human Resource (HR) Solutions service contract serves as a specific example of potentially saving 4–8 percent of available spend for human resource services. Total Armywide HR services spend is up to \$1.1 billion. Strategic sourcing will centralize and integrate these human resource service contracts, which will ultimately enhance contract management and oversight and will reduce a number of contracts.

4.3 Business Initiative Future Milestone

The DASA(S) established an Army-wide Services Working Group to assist in developing a strategic concept of operations (CONOPS). DASA(S) also developed a governance matrix that provides portfolio management and command advocacy. Establishing and executing an enterprise CONOPS will require buy-in from each Army command. Efforts will also need senior Army leadership for effective implementation throughout the Army.

4.4 Business Initiative Alignment to the 2011 ACP

Army Campaign Plan Objective 6-4: *Transform Contracting Enterprise to support the Army's 21*st *Century Procurement Requirements*—this objective correlates with USD (AT&L)'s Better Buying Power Initiatives.

5 Procure-to-Pay (P2P) Pilot

5.1 Business Initiative Overview

The P₂P pilot tests the ability of an Enterprise Resource Planning (ERP) system to conduct the entire end-to-end P₂P process internally. The Army's current ERP implementations require interfaces to numerous legacy systems, many of which are DoD-wide systems that optimize a sub-element or organization but hinder the effectiveness of the overall business process. Highlights of these challenges include:

- Execution within the ERP encounters numerous performance challenges as transactions and data flow across multiple, non-compatible systems.
- True capability of the ERP is marginalized, makes maintaining data integrity more challenging and increases ERP cost of ownership.
- Ability of the ERP to support enterprise-wide decisions is limited, such as strategic sourcing.

Army P₂P will eliminate the need for custom interfaces to and from the Standard Procurement System (SPS) and Automated Disbursing System (ADS) to address the sub-optimization of the ERP noted above. The P₂P Pilot will also demonstrate a new capability in linking to Wide Area Workflow (WAWF). WAWF is in the process of developing an Enterprise portal that will provide a single face to industry while linking the supplier to the correct ERP to eliminate the interface for receiving reports and interfaces from WAWF.

P₂P benefits include:

- Enabling standard, integrated business processes across the Army that link finance and procurement.
- Leveraging automation, reducing paper and maximizing electronic storage.
- Reducing duplicate data entry.
- Entering data once in an integrated system, allowing it to be used many times in linked end-to-end business processes.
- Reducing manual intervention, equaling reduced costs and fewer errors.
- Improving records management and document tracking.
- Enabling process visibility from end-to-end.
- Reducing redundancy in data storage in multiple systems.
- Reducing time to complete the procurement task by having all information in one system.
- Facilitating contract closeout; information is in one system.
- Capitalizing on DoD (DLA) investment in developing SAP PPS.
- Leveraging cost savings (Office of Enterprise Management investment) of integrated business processes.
- Enhancing enterprise management capabilities that have broad application and benefits across the Army enterprise (Global Command and Control System-Army (GCCS-A),

Logistics Modernization Program (LMP), General Fund Enterprise Business System (GFEBS)).

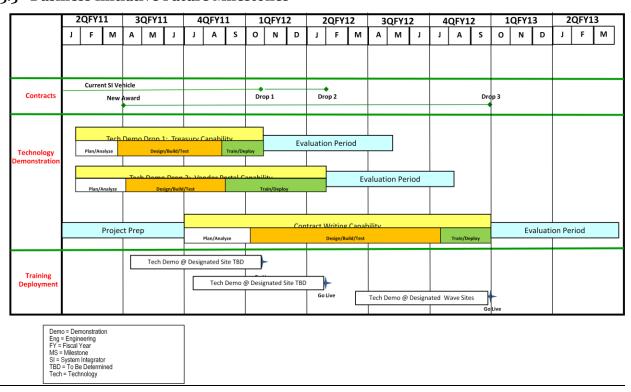
P2P precludes GCCS-A from having to build costly interfaces to legacy systems (SPS, ADS, etc.).

5.2 Business Initiative Progress

In June 2010, the Army conducted a technology demonstration of P2P capability and functionality developed as the culmination of Phase I-A. The demonstration included end-to-end business processes using a static copy of GFEBS ERP Central Component (ECC) system. Phase I-A was conducted offline in a sandbox environment. The demonstration successfully showed the P2P SAP-based solution can provide needed functionality for the entire end-to-end process, from purchase request creation through direct disbursing to Treasury. The technical design of Phase I-A included SAP Supplier Relationship Manager 7.0/Procurement for Public Sector (SRM/PPS), SAP Supplier Self-Service and enhancements to the existing GFEBS ECC system to be able to create a direct Treasury disbursing ready-to-pay file.

P₂P Phase I-B implements P₂P at one location in a live production system. P₂P Phase I-B, as a project under the GFEBS program, consists of three major capability roll-outs: Treasury disbursement, Supplier Self Service for vendor interaction, and SRM/PPS for procurement and contract management. The three capabilities are independent of one another and are expected to be implemented in three manageable and measurable increments.

5.3 Business Initiative Future Milestones



Governance. *Identify governance process/forums associated with your initiative.*

- DoD governance is via the End-to-End Governance Council, the Investment Review Board and Defense Business Systems Management Committee.
- Army guidance to be provided by CMO via the BSIT-ESG.
- GFEBS Executive Steering Committee.
- GFEBS Council of Colonels.

Performance Measures for all P₂P initiatives are currently being defined by the BTA and discussed with the agencies for final approval. The currently defined Metrics Categories include:

- Speed—Speed measures the capability of all events within the P2P process to be enacted in a timely manner.
 - Performance Indicators: Contract Data Quality, Accuracy of Financial Postings.
- Cost—Cost measures the amount expended for process execution, taking into account labor as well as system costs.
 - Performance Indicators: On-Time Contract Award, On-Time Financial Posting, On-Time Payments.
- Quality—Quality measures the occurrence of deviations from the acceptable process execution.
 - Performance Indicators: Cost of Reconciliation, Cost of Operations and Maintenance, Contract Administration Costs.

5.4 Business Initiative Alignment to the 2011 ACP

P₂P is designed to demonstrate end-to-end processes within a single ERP to show data integrity, reduction of interfaces, and seamless integrated business process. P₂P alignment will support the Army Campaign Plan and several senior leader priorities across the Army as an Enterprise initiative.

	Alignment with Internal Guidance	Comments
✓	Develop and Implement an Integrated	
	Management System	P2P is designed to demonstrate end-to-end
✓	Harmonize the Acquisition and	processes within a single ERP to show data
	Fielding Processes	integrity, reduction of interfaces, and seamless
~	Transform Business Systems	integrated business processes.
	Information Technology	
	Support Secretary of the Army/Chief of	
V	Staff of the Army Calendar Year 2010	
	Objectives	
✓	Nest with ACP	

Alignment with External	Comments

	Stakeholders	abbra
	DoD Strategic Management Plan	P ₂ P Phase ₁ -B – Implement P ₂ P in the GFEBS production environment and field to a pilot location (TBD) for further evaluation. This is an initiative that is fully supported by the ASA (ALT) and ASA (FM&C) as well as the DoD DCMO. By being in a Pilot site (not a formal Acquisition Program) and using a Commercial-Off-the-Shelf (COTS) solution, this is a low-risk initiative.
✓	DoD Performance Budget	
~	DoD High Priority Initiatives	
✓	Government Accountability Office (GAO) High Risk Areas	
	Quadrennial Defense Review (QDR)	
	Fiscal Year 2012 Defense Planning and Programming Guidance	

6 Authoritative Data

6.1 Business Initiative Overview

This initiative implements Army Directive 2009-03, Army Data Management, which directs that data is a strategic asset and must be managed as such. In order to provide decision-makers access to authoritative data in a timely and secure manner, authoritative data must be identified and made accessible. The data must then be consistently exposed through a technical framework/process across the Enterprise in order to support current and future requirements lessening the expense created by addressing specific individual requirements – setting the conditions for data-sharing. This impacts the system realignment and consolidation of Army business capabilities embedded in over 750 Army business systems. This initiative complements the ARFORGEN Business Architecture and Enterprise Resource Planning (ERP) efforts.

6.2 Business Initiative Progress

During Fiscal Year 2010, the Army established the BSIT-ESG and developed the Army ERP Strategy. Additionally, a Tiered Army ERP Technical Strategy was published, which created an agile modular architecture. The Single Authoritative Data Layer will allow for data exposure from ERPs and non-ERPs. This will set the conditions to treat data as an enterprise asset, to aid in a collapse strategy and to reengineer processes.

The Army also conducted the Enterprise Data Sharing Initiative pilot, which provided a technical environment and repeatable process for the integrated sharing of readiness authoritative data sources in a seamless manner. Initial spirals enabled the Enterprise Management Decision Support (EMDS) to consume initial readiness data as an efficient data service. Results of this initiative provided the technical foundation for future exposure of data across the enterprise and established foundational concepts.

To address ADSs, business rules were published for identification of ADSs, the DoD Enterprise Authoritative Data Source (EADS) Registry was tailored to address business rules for the Army, the initial Army ADS Registry and business rules were evolved into the DoD EADS, Command and Control Authoritative Data Source Exposure lessons learned were incorporated into business rules, and Army Data Governance addressed ADS processes. Fiscal Year 2010 initiatives also enabled portfolio management. Process Data Flows will be developed to establish an end-to-end Business Process.

6.3 Business Initiative Future Milestones

In Fiscal Year 2011, the Army will sign the ERP Strategy, assist the OBT in implementing the ERP Strategy, adopt and provide guidance on Tiered Army ERP Technical Strategy, conduct an Army ERP Exposure Study to identify data exposure gaps between generating and operating force, conduct cost benefit analysis and identify requirements for Common Operating Environment (COE).

Additionally, to support the ARFORGEN community in Fiscal Year 2011, the Army will provide technical guidance to the ARFORGEN Business Pilot, collaborate with the ARFORGEN Business Architecture Initiative to identify and register authoritative data for ARFORGEN, publish an Army Information Architecture and conduct assessment with the Army ERP community, publish guidance and business rules on authoritative data and collaborate with the Human Capital Enterprise (HCE) to identify and register authoritative data for personnel status.

For Fiscal Year 2012, the Army will publish COE-related guidance for the business community, horizontally integrate data with the operating force, standardize information exchanges, and identify ADSs for End-to-End business process activities to facilitate investment decisions. Benefits within this initiative have begun to be realized in Fiscal Year 2011 because the Army is building upon Fiscal Year 2010 progress. The conditions established will enable agile development for data use.

6.4 Business Initiative Alignment to the 2011 ACP

The Authoritative Data Business Initiative aligns with two ACP major objectives. First, it aligns with ACP 8-4 (Transform LWN via the GNEC) because it will evolve Data Services that share ERP information with the Army Enterprise by Fiscal Year 2013. Interim deliverables will include publication of the Army Information Architecture by the third quarter of Fiscal Year 2011 and collaboration with the HCE to identify and register authoritative data for personnel status by the fourth quarter of Fiscal Year 2011 and publish guidance and business rules on the authoritative data by the fourth quarter of Fiscal Year 2011. Second, it aligns with ACP 3-3 (Transform ARFORGEN Business Architecture), exposing ARFORGEN readiness data.

7 Business Systems Information Technology Governance

7.1 Business Initiative Overview

The Army's business system information technology governance assists the CMO in addressing the DoD's increased scrutiny of system modernization initiatives and provides enterprise-wide governance of the Army's business investments. To accomplish these goals, the Army's CMO, on June 21, 2010, established the BSIT-ESG. The purpose of the BSIT-ESG is to advise the CMO on Army-wide requirements for the synchronization, integration, prioritization and resourcing of Army Business IT systems with a focus on ERP systems. The BSIT-ESG brings together the Army's functional experts, materiel developers, resource allocators and the Chief Information Officer (CIO) in a combined forum.

The BSIT-ESG:

- Improves the decision-making process for Army-wide business systems resulting in reduced development costs, reduced execution risks, reduced sustainment costs and greater effectiveness for the Army. The improved effectiveness of Army business systems will improve support for ARFORGEN by providing users more accessible authoritative information. It will enable better decision making and quicker identification of problems, seams and gaps in the ARFORGEN process through the refinement and integration of existing business processes.
- Ensures compliance with the Financial Improvement and Audit Readiness plan. This strategy focuses our work on budgetary information and improving financial processes and controls. The Army is working under the direction of and in concert with the Office of the Secretary of Defense (OSD) guidelines to achieve this milestone. Progress continues toward fully auditable financial systems, primarily via the implementation of Army ERP systems, and will be attained by Fiscal Year 2017.
- Facilitates the development of the Army enterprise business architecture and transition plan that serves as the cornerstone to drive the Army's ongoing portfolio management activities in support of business transformation. The Army will leverage the fifteen end-toend business processes defined by OSD to frame business process coordination and consistency. The Army has assigned Process Champions who will be responsible for coordinating across functional domains and providing logical process outcomes to eliminate silos and sub-optimized processes.

7.2 Business Initiative Progress

With the establishment of the BSIT-ESG, the CMO directed the formation of an ERP Strategy Task Force to complete a 120-day study of the Army's existing ERP programs and confirm the Army's ERP Strategy is aligned to OSD objectives. The ERP Strategy Task Force has completed its task and the results have been reported out to the BSIT-ESG and to DoD's combined ERP Investment Review Board (IRB).

The BSIT-ESG has accomplished the following:

- Developed and approved an ERP Strategic Framework
- Established the Army Business Systems Information Technologies integrated product team (IPT) to develop a plan for implementing the recommendations of the ERP Strategy Task Force
- Prioritized OSD's End-to-End processes
- Completed mapping Army business systems to DoD Business Enterprise Architecture's 15 end-to-end processes
- Collaborated with DoD DCMO to improve the usefulness of their 15 end-to-end processes
- Identified Process Champions for each end-to-end Process
- Developed a comprehensive Army Business Systems Information Technologies Strategy
- Army leaders briefed the OSD Investment Review Board (IRB) on the Army's refined ERP Strategy
- During the 1st and 2nd Quarters of FY2011 the Army will continue to develop ERP Strategy Implementation Plan. The BSIT-ESG will ensure that the refined strategy optimizes investments through a portfolio approach and utilizes a standard methodology for cost benefit analysis that's viewed through the lens of end-to-end business processes. Approval of the Army Enterprise Resource Planning (ERP) Strategy
- Implementation of the Army Enterprise Resource Planning (ERP) Strategy
- Guiding the ERP Task Force in the development of a refined ERP strategy, the BSIT-ESG identified five goals or outcomes the Army's ERP Strategy must address: 1) Achieve Audit Readiness by FY2017, 2) Cost Informed Enterprise Governance, 3) Increased Efficiency and Effectiveness of Business Operations, 4) Better Alignment between the Business Operations and Operational Forces –ARFORGEN, and 5) Better Alignment between the Army and DoD. The Strategy will fundamentally change the way the Army thinks, acts, and operates by embracing a new approach to how the Army manages its business, integrating across functional boundaries, leveraging investments in ERP programs of record, becoming outcome focused, and compliance (e.g., agile / modular success)

7.3 Business Initiative Future Milestones

Implementation of the Army Business Systems Information Technology Strategy

7.4 Business Initiative Alignment to the 2011 ACP

- 9.6 Transform Business Systems IT
- 9.5 Strengthen Financial Management
- 9.1 Develop and Implement and Integrated Management System

8 2011 Army Campaign Plan

8.1 Business Initiative Overview

The 2011 ACP document will provide the Army with a clearer common operating picture that allows the Army Senior Leadership to effectively and efficiently deliver trained and ready forces to combatant commands while sustaining the All-Volunteer Force. It will convey the Army Senior Leaders' current priorities and guidance, while also providing a mechanism for Campaign Objective Leads to provide decision makers with timely feedback and meaningful assessments. Through the document and forums, the ACP will continue to help the Army Senior Leaders manage and synchronize the Army processes to more effectively and efficiently achieve the Army's Imperatives, Outcomes and strategic requirements. In addition, specific Outcomes will include:

- Supports the move to align and synchronize the Army's processes, including The Army Plan and the, Planning, Programming, Budgeting and Execution process.
- Incorporates the roles and responsibilities of the Army Management Enterprise and Core Enterprises.
- Supports the need to institutionalize feedback within the Army processes.
- Supports the need to instill a cost culture.

8.2 Business Initiative Progress

- 2011 ACP assigns leadership responsibilities to the Assistant Secretaries of the Army for Campaign Objectives and their associated Major Objectives, as well as directs the development of performance metrics to track Campaign and Major Objectives.
- The Assistant Secretaries of the Army are supported by an Army staff coordination element and other Army commands and organizations included in the affiliated core enterprise. This formalized civil-military leadership team ensures greater vertical and horizontal collaboration, better leveraging civilian and military expertise and experience found throughout the Army.
- Army leads for the Major Objectives developed and presented performance metrics to their respective Campaign Objective leads.
- Campaign Objective leads developed strategic "top-level" performance metrics and presented them for review through the Under Secretary of the Army, as CMO for subsequent approval by the Secretary of the Army.
- The 2011 ACP was approved by the Secretary of the Army and released February 4, 2011. Associated metrics will continue to be refined throughout Fiscal Year 2011.

8.3 Business Initiative Future Milestones

- In Fiscal Years 2011-12, the ACP's Campaign and Major Objective's performance metrics will be tracked though a management tool and presented in Department of the Army Senior Leader forum(s).
- Issues identified as possibly requiring action or decision will be referred to the appropriate Army decision-making process and decision authority.
- Continual tracking of performance metrics is to enhance senior Army leadership's ability to assess how well the Army is fulfilling its enduring outcomes and supporting objectives and assess the effectiveness and efficiency of using resources.

8.4 Business Initiative Alignment to the 2011 ACP

9 Enterprise Traceability

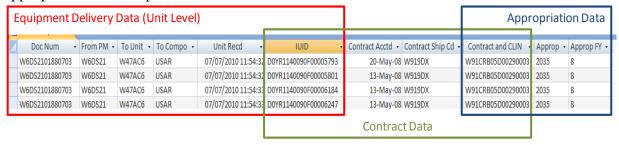
9.1 Business Initiative Overview

To meet requirements of United States Code (USC) 10 Section 10541 as amended by Public Law 110-181 Section 1826, the Army must have the ability to certify unit-level receipt of major items of newly procured equipment. It also must provide explanation for results that are less than expected for Reserve Components. The Army's systems and processes were designed to provide systematic traceability from appropriation to Army-level receipts, but not from Army plans to unit receipts.

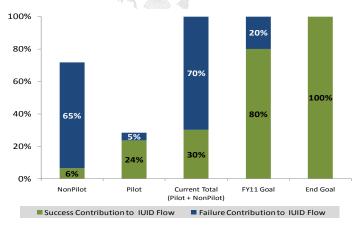
The Army needs systematic traceability at this level to measure variance and provide accurate and timely equipment delivery reports to OSD and the Reserve Components. The traceability initiative addresses this need and directly supports the National Guard Bureau's ability to certify receipt of procurement-funded equipment as required by Public Law 110-181, Section 1826. The initiative will also support Army Staff and Reserve Component testimonies to Congress.

9.2 Business Initiative Progress

- Identified a critical solution; i.e., incorporate Item Unique Identification (IUID) technology into logistics systems and processes. This enables systematic traceability.
- Validated capability of IUID to trace unit receipts to contract data, which traces to the appropriation used to purchase the item.



- Implemented IUID in unit-level, property accountability systems.
- Implemented tools for program managers to capture bulk quantities of IUID data.
- Enhanced the Army IUID Warehouse to capture IUD data for new and existing assets.
- Established Policy for program managers to capture IUID before fielding equipment.
- Piloted a quick-win to increase the IUID flow rate from Army receipt to unit receipt.



- Identified IUID registration issues that must be resolved to achieve success.
- Developed and implemented tools to enable the Acquisition Community to understand IUID compliance by vendors before issuing equipment to units.
- Identified applications that can use IUID to improve Army supply chain processes.

9.3 Business Initiative Future Milestones

- Improve IUID data flow into property records across the entire Acquisition Community.
- Establish control measures for items requiring IUID to improve IUID registration.
- Achieve an IUID rolled throughput yield of at least 80 percent.
- Establish systematic linkage between delivery, contract, appropriation, and plan data.
- Ensure requirements are coordinated with developing ERP systems.
- Develop method to systematically collect transparency data during transition period between legacy and ERP systems.
- Implement transparency visibility and reporting capabilities in a fully mature ERP environment.
- Estimated completion date is difficult to predict due to the complexity of processes and systems which must be integrated with IUID. Gross approximation is to provide a systematically developed Equipment Delivery Report for the Reserve Components in Fiscal Year 2012.

9.4 Business Initiative Alignment to the 2011 ACP

• 6.1 Enhance Materiel Readiness

10 Army Force Generation Business Architecture

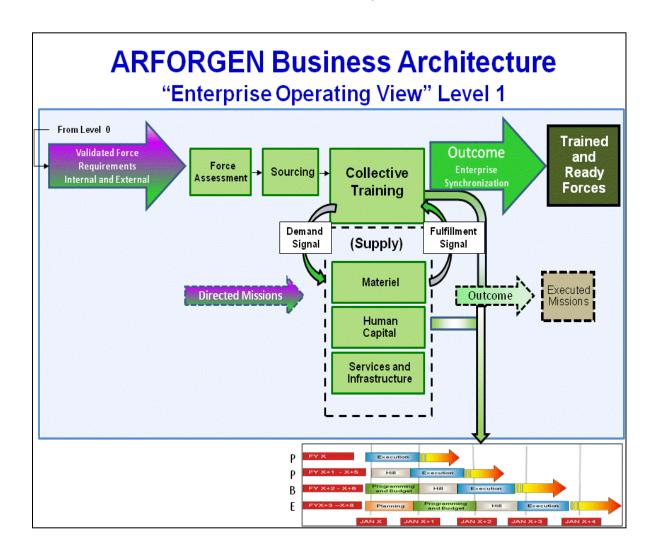
10.1 Business Initiative Overview

The ARFORGEN Business Architecture Initiative will transform Army processes to align and support the progressive readiness inherent in ARFORGEN. The approach will:

- Transform business processes to support ARFORGEN.
- Define information exchanges supporting ARFORGEN.
- Provide context for IT system analysis and investment.

10.2 Business Initiative Progress

Transforming ARFORGEN Business Processes. We defined the basic activities that comprised the ARFORGEN process. We then sequenced those activities to produce an Army enterprise workflow for ARFORGEN. The workflow answered the questions of what work needs to be done, in what sequence is that work done and who does that work? Figure B depicts that workflow.



10.3 Business Initiative Future Milestones

- <u>Value proposition</u>: The ARFORGEN Business Architecture initiative will improve the ARFORGEN process by providing commanders and supporting Enterprises readily accessible information. It will facilitate more efficient and integrated decision making, quicker identification and resolution of friction points and gaps in the ARFORGEN process through the alignment, refinement and integration of existing business processes.
- <u>Benefit of having Authoritative and Accessible Data</u>: The ARFORGEN Business Architecture complements several other related and supporting initiatives (see below) and will make ARFORGEN data available to multiple organizations that do not have access today. Access to this data will eliminate reliance on non-authoritative data sources and decrease IT development of interfaces or shadow systems to support ARFORGEN-associated activities. Related initiatives that will benefit from the ARFORGEN Business Architecture are:
 - o The Enterprise Management Decision Support (EMDS) system (G-3)
 - Logistics Information Warehouse/Enterprise Data Warehouse (Materiel Enterprise/AMC)
 - AcqBusiness (Materiel Enterprise/ASA(ALT))
 - o ARFORGEN Synch Tool (AST) (RCE/U.S. Army Forces Command)
 - o Core Enterprise data requirements (Readiness Core Enterprise/Human Capital Enterprise/Materiel Enterprise/Sustain-Services & Infrastructure Core Enterprise)
 - o Office of Business Transformation analysis
 - o ACP Forums-ASM, ACP Update, SRU, etc. (G-3)

10.4 Business Initiative Alignment to the 2011 ACP

- ACP Objective 3.3, Transform ARFORGEN Business Architecture.
- End-to-end process Deploy-to-Redeploy (ARFORGEN)

11 Army Data Center Consolidation Plan

11.1 Business Initiative Overview

The Army Data Center Consolidation Plan (ADCCP) is a 5-year plan to provide managed information services at the enterprise level; improve the security of Army information assets; and consolidate the Army's data center inventory worldwide. The ADCCP is a key element of the Army's transformation of its network, LandWarNet, into a fully integrated information enterprise. Plan highlights:

- Improving global operational capability by providing a universal access to authoritative information, applications and collaboration tools for Army users and mission partners.
- A best opportunity to eliminate redundant IT infrastructure across the Army; aligned with Secretary of Defense Robert M. Gates' vision to consolidate DoD IT infrastructure.
- Implementing Federal Data Center Consolidation Initiative guidance.
- Strive to achieve an approximately 75-percent reduction of Army data centers by end of Fiscal Years2015-16.
- Reduction of Army energy and real estate data center footprint.
- Using the Defense Information System Agency, commercial capabilities and existing Army facilities based on business case analysis.

Implementation of the ADCCP will reduce center infrastructure operations and support costs and environmental impact by shifting data center operations to a more efficient enterprise-managed operation. It will increase the Army's overall IT security posture by making it easier to defend the network, protect information assets and respond to threats.

11.2 Business Initiative Progress

The Army initially identified more than 250 data centers in response to the February 2010 Office of Management and Budget (OMB) data call. As of January 2011, the number of data centers is 292, of which 235 meet the OMB data center threshold of 500 square feet. The Army CIO formed the ADCCP Project Office in April 2010 to address data center life-cycle management challenges. In August 2010, the project team submitted the first annual ADCCP to the Office of the Secretary of Defense for OMB. The ADCCP scope includes the National Guard, Reserve and Active Army data center consolidation efforts from Fiscal Year 2011 through Fiscal Years 2015-16.

11.3 Business Initiative Future Milestones

Long-term budget formulation will occur in Fiscal Year 2011-12. Plans are to consolidate up to 27 data centers through ADCCP and Base Realignment and Closure (BRAC) action in Fiscal Year 2011. For Fiscal Year 2012, plans are to close or consolidate 41 centers. As funding becomes available, Fiscal Year 2011 plans include conducting initial application software assessment to eliminate duplicate or redundant applications prior to migration or transition to the Defense Information System Agency's Defense Enterprise Computing Centers. Plans are to conduct data center and IT hardware, software and infrastructure assessments and consolidations through

Fiscal Years 2015-16 informed by Fiscal Years 2011-12 progress. Realization of gained efficiencies is anticipated to begin in Fiscal Year 2014.

11.4 Business Initiative Alignment to the 2011 ACP

ADCCP is a key enabler of the ACP objective to transform LandWarNet within the Operating and Generating Forces (ACP 7-4 & 8-4), and it is a cornerstone of the Army CIO/G-6 Global Network Enterprise Construct Strategy. Data center consolidation and closures supports the Transform Business Operations objective as well. Data centers host Generating Force mission system software and enterprise resource planning systems. Finally, center consolidations will improve operational effectiveness and efficiency, a key tenet of transformation supporting ACP Campaign Objective 9-0.

12 Transfer of the Directorate of Logistics to Army Materiel Command from Installation Management Command

12.1 Business Initiative Overview

Through realignment, the Army will achieve better productivity and savings for installation DOL support functions currently being executed and managed by IMCOM, by eliminating redundancies and ineffective and excessive logistics support, while gaining efficiencies in support of ARFORGEN. As a result of Army Regulation 750-1 (Army Materiel Maintenance Policy), Chapter 2-15, the Commander, AMC was designated as the Army's National Maintenance Manager. On March 6, 2009, the AMC Commander, in coordination with the U.S. Army Installation Management Command (IMCOM) Commander, agreed to form an Integrated Process Team (IPT) to work the full transfer of the Directorate of Logistics (DOL) to AMC from IMCOM.

12.2 Business Initiative Progress

<u>Mission Outcomes Realized.</u> AMC and IMCOM DOL IPT have worked the following areas for operational control (OPCON) and Transfer.

- AMC has OPCON of 49 of 50 CONUS IMCOM DOLs as of October 1, 2010 (Joint Base Lewis McChord is still not OPCON).
- FY12 funding letter from IMCOM to AMC will be presented to AMC and IMCOM Commanders in Jan 2011
- OPCON of OCONUS DOLs: Korea, January 2011 and U.S. Army Europe (USAREUR), planned for April 2011.
- Field Logistic Readiness Centers (FLRCs): ASC Logistic Contracts reduced FLRCs from 16 to 11.
- Potential cost savings/avoidance is estimated at more than \$1 million in contract management costs by reducing redundant contracts in Fiscal Years 2010-11.

12.3 Business Initiative Future Milestones

AMC and IMCOM will right-size Army installation logistics capabilities in support of ARFORGEN through efficiencies, improved readiness and cost savings in providing installation logistics support.

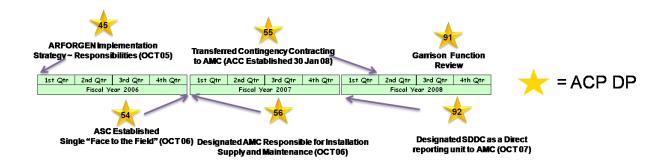
Specifically:

- IMCOM will transfer 77 installations worldwide, \$2 billion in assets, and 26,000personnel to AMC in Fiscal Year 2012.
- Eliminate redundant maintenance support programs.
- Improve management and maintenance of left behind equipment.
- Continue to eliminate redundancies in logistics contracts for ARFORGEN support missions, e.g., FLRCs and reduce contract management costs.
- Improve the effectiveness of installation ammunition supply missions.
- Improve effectiveness and find savings in other installations supply or services functions.

• Better leverage AMC technical expertise and supply chain management capabilities. End state is a leaner, more streamlined and efficient ARFORGEN logistics support operation focused in deployment, RESET and redeployment of units and other tenants on installations. This will improve responsiveness, flexibility and the ability to adapt quickly to mission requirement changes, with a leaner overall process and clearer lines of operation for resource managers.

12.4 Business Initiative Alignment to the 2011 ACP

- a. Internal Alignment:
 - ACP 2011 Campaign Objectives 5-0 "Equip the Army for Full Spectrum Operations"
 (Major Objectives: 5-3 Modernize and equip the Army to Increase Strategic Depth;
 5-8 Execute Equipment Reset & Materiel Integration) and Campaign Objective 6-0
 "Sustain the Force for Full Spectrum Operations" (Major Objectives: 6-1 Enhance
 Materiel Readiness; 6-2 Institutionalize ARFORGEN Sustainment Functions; 6-4
 Transform Contracting Enterprise; 6-6 Sustain Units for Full Spectrum
 Operations).
 - Secretary of the Army/Chief of Staff of the Army Calendar Year 2010 Objectives: Continue Efforts to Restore Balance.
 - Army Report to Congress, March 1, 2010: *Alignment*, both vertical and horizontal, and internal and external—to ensure execution of stakeholder and Army priorities are in support of national security objectives; *Holistic*, *Enterprise-Level Thinking*, with an associated governance construct and cultural mindset for transformation and business operations management.
- b. External Alignment (OSD, GAO, etc.) Aligns wholly or partially with the following:
 - GAO DoD High-Risk Areas:
 - Support Infrastructure Management
 - Contract Management
 - Supply Chain Management
 - DoD Core Mission Areas:
 - Materiel Supply and Services Management
 - Real Property and Installation Life-cycle Management



13 Civilian Workforce Transformation

13.1 Business Initiative Overview

Civilian Workforce Transformation (CWT) will, when fully implemented, **drive Human Capital resource allocations** and will result in four major outcomes. CWT will:

- Operationalize an Enterprise Civilian Requirements Generation Process;
- Dramatically improve the <u>Management Architecture</u> of the Civilian Cohort;
- Ensure the most *Effective and Efficient Use* of the Multi-Sector Workforce; and
- Meet Army Goals and Missions by Investing in Civilian Employee <u>Professional</u> <u>Development.</u>

CWT also answers long-standing NDAA legislative mandates.

13.2 Business Initiative Progress

Fiscal Year 2011 achievements:

"Effective and Efficient Use of a Multi-Sector Workforce"

New Governance Structure (CWT Line of Effort 3):

Established with Assistant Secretary of the Army for Manpower and Reserve Affairs, approval a 3-person senior Civilian General Officer Steering Committee (GOSC) to synchronize CWT initiatives and speed their approval.

"Management Architecture of the Civilian Cohort"

100-Percent Coverage of the Civilian Cohort (CWT Line of Effort 2 and 3):

- Updated policy for Civilian Functional Chief Representatives (FCRs). This revised policy, which will be released as an interim update to Army Regulation 690-950, Civilian Personnel Policy, refines FCR Roles and Responsibilities as Civilian Career Program Managers.
- Established for the first time a universal task list of FCR Responsibilities.
- Identified three U.S. Army Manpower Analysis Agency-validated "Staffing Standards" for career field population management. This action allows the first-time identification of the number of required support personnel to assist FCRs in the day-to-day management of individual career programs in the Civilian cohort.
- Remapped all career program populations and identified five-nine new career programs.
 This action addresses long-standing population imbalances.
- Identified required resources (dollars) to support annually the newly identified career program support personnel numbers.
- Put plans in place to place 100 percent of the Army Civilian Workforce into a Career Program. Previously only 97,000 of the Army's 300,000-plus Civilians were aligned with an existing career program.

13.3 Business Initiative Future Milestones

Fiscal Years 2011-12 Plans:

- By the end of Fiscal Year 2011, document and promulgate a reformed hiring process (Line of Effort 5 activity).
- By the end of Fiscal Year 2011, implement a comprehensive executive-based leadership development program (CWT Line of Effort 4).
- By the end of Fiscal Year 2011, identification and course of action development to introduce an enterprise-based Requirements system (CWT Line of Effort 1).
- By the end of Fiscal Year 2011, completion of Army Career Tracker (ACT) fielding to all Army Civilians (CWT Line of Effort 3). ACT is an information management system that tracks an individual Civilian's professional development, to include his/her own Civilian Career Map.
- By the first quarter of Fiscal Year 2012, initiation of an education, training and experiential development program for the Army's enterprise leadership cohort.
- By the first quarter of Fiscal Year 2012, fully deploy a competency-based management system for Senior Executive Service (SES) talent acquisition, development and succession planning.
- By the end of Fiscal Year 2012, identification, evaluation and standardization of all leader development and functional level training courses available to Civilians (CWT Line of Effort 3 and 4).

13.4 Business Initiative Alignment to the 2011 ACP

This initiative aligns with ACP Objective 1-4, Execute Civilian Workforce Transformation.

14 Civilian Hiring Reform

14.1 Business Initiative Overview

The civilian hiring process needs to be quicker, more efficient at matching management requirements with applicants and more effective at bringing civilians on board. Civilian Hiring Reform will lead to more effective recruitment and on-boarding of high quality candidates in 80 days or less and reduce rework of civilian personnel hiring actions.

14.2 Business Initiative Progress

Fiscal Year 2011 Achievements:

- Beta test of the new hiring process is in progress at Joint Base Fort Myer-Henderson Hall Civilian Personnel Advisory Center with the Military District of Washington (MDW). It incorporates a 4-phase methodology: pre-planning, forecasting and pre-positioning of recruitment documents; use of the USA Staffing tool; use of Defense Information System for Security (DISS) Clearance Adjudication Tracking System (CATS); and use of Army Electronic Entry on Duty (e-EOD) application.
- All four phases implemented by October 10, 2010.
- MDW management has been fully informed and is supportive and engaged in all phases.
- Although only four MDW recruitment actions have been received thus far, two actions have been taken through EOD and were accomplished in less than 80 days.
- Interim progress reports (IPRs) held weekly with Civilian Human Resources Agency, OSD and MDW HR staff.
- Best practices, lessons learned, modifications and process improvements identified and documented for future development of doctrinal material, business processes and systems.
- Quarterly IPRs conducted with MDW leadership.

14.3 Business Initiative Future Milestones

- April 30, 2011—Initiate development of doctrinal material, business processes and systems based on initial successes and lessons learned from beta test.
- September 30, 2011—Complete beta test with MDW and assessment of results.
- October 1, 2011—Begin enterprise-wide training, education and change management plans, including robust communication plan for acculturation of improved civilian end-to-end hiring process model (assuming successful results of beta test).
- February 28, 2012—Army managers and supervisors begin data assessment and development of annual staffing plans for Fiscal Year 2013 recruitment.
- October 1, 2012—Begin recruitment under new 80-day end-to-end hiring model using annual staffing plans for Fiscal Year 2013.

Independent and Necessary Initiatives:

• September 30, 2011—Complete enterprise-wide phased deployment of e-EOD.

- September 30, 2012— Complete enterprise-wide phased deployment of USA Staffing tool.
- Reduction in fill time may be compromised in Fiscal Year 2011 by challenges such as BRAC workload, introduction of new systems and business processes, resource requirements for development of USA Staffing assessment instruments and associated training of staff. However, some improvement may be attainable in iterative stages as phased deployment and refinement of DISS CATS, e-EOD and USA Staffing is accomplished across the enterprise in Fiscal Year 2011. Pre-planning, forecasting and pre-positioning of recruitment documents will commence across the enterprise in second quarter Fiscal Year 2012, resulting in full implementation of improved end-to-end hiring model beginning in Fiscal Year 2013.

14.4 Business Initiative Alignment to the 2011 ACP

This initiative aligns with ACP Objective 1-4, Execute Civilian Workforce Transformation.

15 Army Energy Security and Sustainability

15.1 Business Initiative Overview

The Army consumes an enormous amount of energy to support our operational forces and installations, accounting for 21 percent of DoD's fuel and power use based on Fiscal Year 2009 Report. Energy powers our tanks, aircraft, and battle formations; provides voice and data communication directly to Soldiers; and, enables our Army to deploy and accomplish our mission anywhere in the world across the full spectrum of operations. Since 2007, the Army has spent an average of more than \$ 3B per year on fuel and electricity, with more than half supporting liquid fuels for operations and the remainder representing power and energy costs at our installations. Moreover, future costs for both power and energy are expected to be higher, more volatile, and increasingly unpredictable. At a time of tightening defense budgets, reducing our energy costs is essential for the Army now – establishing stronger management controls, accommodate upcoming force redeployments and prevent insurmountable escalation of Army energy costs.

15.2 Business Initiative Progress

A key Army goal is to manage our resources in a sustainable manner that meets mission requirements. To accomplish this, the Army is researching, developing and deploying a variety of advanced technologies and improved management practices for energy, water and waste to preserve future operational flexibility and prevent unmanageable energy cost increases. Examples of these efforts include:

- Initial fielding of alternative/renewable energy technologies such as the prototype Rucksack Enhanced Portable Power System, which employs solar energy for recharging lithium batteries, and pursuing other alternatives such as Stirling generators and fuel cells for use at the tactical level.
- Bringing the next generation of tactical generators, the Advanced Medium Mobile Power Sources, on-line and testing tactical "plug-n-play" smart micro-grids, which are expected reduce our in-theater generator fuel demand by 30-40%.
- Developing a replacement engine for the UH-60 and AH-64; this is estimated to improve net energy efficiency by 12%, thru the Advanced Affordable Turbine Engine effort?
- Implementing an Army acquisition policy that requires all new Army acquisition
 programs, including new starts and new increments, with end items that consume energy
 to include the fully burdened cost of energy (FBCE) needed to operate the system in their
 total ownership cost analysis.
- Preparing an Operational Energy Campaign Plan to align near and long-term initiatives with operational requirements, including soldier, platform, base camp and logistics performance.
- Developing a Contingency Basing policy, with energy and sustainability elements, and the capabilities for execution to meet operational commander's objectives.

Implementing a Net Zero concept for energy, water and waste. Net-zero energy means an
installation or building produces as much energy as it consumes, resulting in a net usage
of zero.

With regard to installation energy security funding:

- It has been determined that the cost of achieving the energy efficiency targets over the Fiscal Years 12-16 POM cycle is \$12.6B.
- It is estimated that up to 50% of the \$12.6B required to reach our energy efficiency targets can come through public/private partnerships if the Army makes enhancements to its current project development capabilities. The balance would need to be covered by \$3.6B in MILCON and \$2.4B in O&M. Currently, we are resourced at \$0.6B in MILCON (\$0.4B for Leadership Environmental and Energy Design (LEED) and \$0.2B for Energy Conservation Improvement Program (ECIP) and \$0.7B in O&M Management Decision Package (MDEP).
- Additionally, the Army has proposed spending \$909 million in the FY12-16 POM for 'operational power and energy related' core Science and Technology programs.
- The Army, despite much progress, is not meeting the goals for energy use reduction and use of renewable energy. With the Army responsible for roughly 25% of Federal buildings and 20% of its facility energy consumption, the Army's failure to meet energy targets will likely cause DoD and perhaps the Federal Government as a whole to fail to reach these ambitious energy reduction goals.
- Going forward the Army's energy performance against statutory and executive orders
 detailing energy management goals will be closely monitored by Congress, other federal
 organizations, and the news media.

15.3 Business Initiative Future Milestones

- Governance. Overseeing this strategy and process is an enterprise-wide Senior Energy and Sustainability Council (SESC), co-chaired by the Under Secretary of the Army (USA) and the Vice Chief of Staff of the Army (VCSA). The Assistant Secretary of the Army for Installations, Energy and Environment [ASA (IE&E)] and the Army Senior Energy Executive (SEE) provide support to the SESC. The Army's energy and sustainability programs are prime examples of an integration of corporate strategy, process, implementation, and management. This process is driven by the Army's Energy Security Implementation Strategy (AESIS) and the Army Sustainability Campaign Plan (ASCP). The AESIS and ASCP facilitate integration of all Army energy and sustainability activities at an enterprise level to support Army installations, weapon systems and operations.
- Performance Metrics. A central element of the Army's management and oversight of
 energy security and sustainability goals has been the development of specific performance
 metrics that are reported and tracked in the Army's Strategic Management System (SMS).
 SMS is being populated to monitor, synchronize and report progress for Army-wide
 execution of these strategies. In addition, the SMS data will inform development of

funding requirements and priorities for the Army's energy security and sustainability program. SMS will also be used to report Army progress on the DoD energy and sustainability metrics.

- The AESIS has 57 performance metrics with target levels and dates that have been approved by the SEC. The Tactical Fuel and Energy Implementation Plan (TFEIP) has 32 operational energy metrics approved by Department of the Army G-4. The ASCP has 28 sustainability tasks.
- Metrics from the AESIS, TFEIP and ACP are currently being integrated and focused. The goal is to produce a unified set of metrics for use in monitoring and reporting the progress of Army-wide activities that address Army energy security and sustainability strategic goals.
- Cost / Benefit Analysis and Current Funding. The USA recently directed that the
 Army's energy security and sustainability activities be integrated, including funding and
 investment strategy. The requirements, investment strategy and cost-benefit analysis for
 Army energy security and sustainability activities are under development.

15.4 Business Initiative Alignment to the ACP

Our focus directly supports the following ACP Objectives:

- 2-6 Adapt / Execute Energy Security & Sustainability Strategies
- 2-7 Adapt / Execute Climate Strategies
- 2-10 Institutionalize Contingency Bases

16 Holistic Review of the Army Family Covenant (AFC)

16.1 Business Initiative Overview

Across the Army, there are 400-plus programs and services that alleviate stress and sustain or improve the Quality of Life (QOL) for Soldiers, family members and Department of the Army Civilians. The Army lacks a holistic approach to service delivery that focuses on the most efficient use of resources to meet the needs of Soldiers, Families and Civilians. The broad range of programs and services available are overwhelming to our customers who report difficulty navigating the complex system of services. The Army also lacks adequate qualitative data to determine program efficacy. The Holistic Review of the AFC identified, mapped, and documented overlaps and gaps in current QOL service delivery systems across the Army Enterprise.

16.2 Business Initiative Progress

- High-level business benefits (mission outcomes) realized in Fiscal Year 2010.
- The Holistic Review of the AFC identified, mapped and documented overlaps and gaps in current QOL service delivery systems across the Army Enterprise.
- The Review recommended five opportunities to reduce redundancies, minimize gaps, synchronize service delivery and rebalance resources to improve customer access to Family programs and services.
 - Transform Army Community Service (ACS) delivery from a centralized to a decentralized system.
 - Create a systematically delivered, fiscally sustainable and balanced portfolio of services to strengthen relationships.
 - o Streamline and consolidate employment and transition services.
 - Prioritize and scope highest value child and youth programs to mitigate the effects of the military lifestyle on Families.
 - Consolidate bifurcated specialized services to streamline and improve delivery (follow Army Substance Abuse Program model).
- The Army is currently focusing on ACS Transformation for execution in 2011.
- Project to yield measurable outcomes in Fiscal Year 2011.

OACSIM developed a conceptual approach into a formal enterprise-wide review methodology to align programs to life stressors. This unprecedented approach received accolades from the Vice Chief of Staff and Chief of Staff of the Army and was adopted as a template to use for the Vice Chief's own study across the Army. The Holistic Review was accepted as an LSS accomplishment and documented as a Design, Measure, Analyze, Improve, and Control project credited with saving the Army hundreds of millions of dollars over the next six years.

16.3 Business Initiative Future Milestones

• January-April 2011: Design ACS Transformation pilot with Installations.

- April 2011: Start date to commence execution of Transformation at pilot sites (review commenced in November 2009 (first quarter Fiscal Year 2010)).
- April-October 2011: Continuous assessment and spiral deployment of remaining Installations.
- December 2011 (first quarter Fiscal Year 2012): Estimated completion date.

16.4 Business Initiative Alignment to the 2011 ACP

This BI aligns with ACP Campaign Objective 1-0, Man the Army & Preserve the All-Volunteer Force.

17 Fleet Planning

17.1 Business Initiative Overview

Fleet Planning is a systematic process that provides a standardized, time-phased approach for developing, compiling and/or updating pertinent weapon system data within a fleet plan and readily assesses equipment fleet status and its ability to meet operational needs.

Fleet planning processes are highly variable across the U.S. Army Tank Automotive and Armaments Command (TACOM) Life Cycle Management Command (LCMC) organization with the potential for fleet plans that are not fully optimized.

The current fleet planning process does not have a unified approach to determine operational tempo (OPTEMPO) and common planning factors for economic useful life of weapon systems; an ability to leverage IUID and condition-based maintenance enablers; or a database for standard data source with the capability to link to LMP.

17.2 Business Initiative Progress

- Fiscal Year 2010 accomplishments
 - Briefed initiative to the Materiel Enterprise Collaboration Council in August 2010;
 project was accepted.
 - o TACOM LCMC established a Fleet Management Integration Directorate in July 2010.
 - o Identified initial deficiencies within the workforce's skills and abilities; conducted a training session for fleet planners.
 - Conducted two internal portfolio reviews with TACOM LCMC Community stakeholders; conducted the Materiel Enterprise Strategic Review.
 - Identified opportunities in current business processes to incorporate and leverage fleet strategy.
 - Identified data sources and existing tools that can assist in the fleet planning processes.
- Initiated a follow-on Fiscal Year 2011 LSS project
 - o Goals:
 - Establish a simple/standard PEO Fleet Planning Process
 - Incorporate appropriate automation and metrics
 - Project benefits
 - Cost-effective plans
 - Operational consistency
 - Consistently deliver plans in support of business OPTEMPO
 - o Reduced workload by reducing trial and error and rework
 - Skill portability from one PM to another
 - Enable continuous improvement

 Provides a consistent method for addressing the impact of "what if" drills on the fleet

17.3 Follow-on LSS Business Initiative Future Milestones

• Fiscal Year 2011 schedule:

Define phase: February 21, 2011
Measure Phase: March 21, 2011
Analyze phase: April 22, 2011
Improve phase: June 1, 2011
Control phase: August 15, 2011

- Contributions to future efforts: complete project in support of Fiscal Year 2012 WSR.
- When full benefits will be realized—December 2011 when WSR and portfolio briefs are completed.

17.4 Business Initiative Alignment to the 2011 ACP

Fleet Planning aligns with Campaign Objective 5.3 Modernize and Equip the Army to Increase Strategic Depth.

18 Army Forums Review

18.1 Business Initiative Overview

The Headquarters Department of the Army (HQDA) Senior Leadership is supported by an array of existing forums, boards and meetings that may not support effective and efficient decision making and management. The Army is reviewing current forums that remain relevant and support senior leader requirements to become more effective and efficient with the application of appropriate technological tools. Available technology includes a means for organizing and disseminating information, providing opportunities for pre-meeting collaboration, and expediting decision-making processes. This Business Initiative will be accomplished in three phases:

- 1) Forums and meetings attended by HQDA senior leadership and staff principals;
- 2) General Officer (GO)/Senior Executive Service (SES) forums; and
- 3) Other supporting forums at lower levels.

18.2 Business Initiative Progress

- This business initiative was initiated in June 2009 with a Director Army Staff (DAS) memo requesting staff principals to identify current forums and meetings chaired or attended by the Secretary of the Army, Chief of Staff of the Army, Under Secretary of the Army, or Vice Chief of Staff of the Army and other meetings attended by three or more HQDA Principals. A total of 81 forums/meetings at DoD- and Army-level were identified, along with the purpose, attendees, inputs and outputs for each meeting.
- Detailed review and further staff coordination resulted in recommendations to eliminate
 four senior leader forums, combine two senior leader meetings, change the purpose and
 format of two senior leader forums and reduce the frequency of one senior leader forum.
 Recommendations result in an average reduction of 10.8 hours of senior leader meetings
 per month. Multiplied by the number of senior leaders who participate in these
 meetings and the staff preparation time to prepare, this represents a significant savings
 in time and effort.
- Additional unmeasured efficiency will be realized in an additional four forums recommended for increased application of technology.
- Additional recommendations to revise the Army General Order that delineates staff
 responsibilities, to enforce a rigorous policy for a standard weekly schedule of HQDA
 forums and to establish a process to review and approve new HQDA forums will further
 improve efficiency and effectiveness in the future.

18.3 Business Initiative Future Milestones

- Implement recommendations from phase one.
- Initiate and complete phase two of the forum review concerning GO/SES-level meetings across HQDA during Fiscal Year 2011; identify redundancies and opportunities to increase efficiencies.

• Initiate and complete phase three of the forum review concerning other supporting meetings held at the Colonel (O-6)/General Schedule (GS)-15 level.

18.4 Business Initiative Alignment to the 2011 ACP

The Army Forum Review aligns with Campaign Objective 9-1: Develop and Implement an Integrated Management System.

19 Army Civilian Leader Development

19.1 Business Initiative Overview

Train, educate and provide experiences that progressively develop Army Civilian leaders for the Army Enterprise and to support full-spectrum operations in the contemporary operating environment. Improve Army Civilian career development and devote the necessary time and resources to ensure that Army Civilians receive appropriate training to prepare them to accomplish their mission.

19.2 Business Initiative Progress Fiscal Year 2010

Full implementation of the Civilian Education System (CES) Leader Development Program:

- Implemented the Civilian Training Student Account for Army Civilians attending the Senior Service College (SSC).
- Realigned Army War College students to a HQDA Table of Distribution and Allowances (TDA) centrally managed account from their command organization TDA. Implement congressionally directed training:
 - Developed courses of action to implement mandatory supervisory training for all first-time supervisors during their first year of appointment.
 - Developed courses of action to implement mandatory supervisory refresher training every 3 years.

Develop an enterprise Civilian Training Management System:

• Deployed the G-37 Civilian Training and Leader Development Internet website with Program information.

Support the G-1 Civilian Workforce Transformation effort:

• Participate in the Civilian Workforce Transformation (CWT) GOSC and support Line of Effort (LOE) 1, LOE3 and LOE4.

19.3 Business Initiative Future Milestones Fiscal Years 2011–12 plans:

By the end of Fiscal Year 2011:

- Develop a comprehensive Department of the Army-level Civilian Training Policy to include training and leader development.
- Increase outreach and communication to the Army Civilian Corps to increase Civilian Education System (CES) participation by 30 percent.
- Establish program to support five fellowships and/or Joint, Intergovernmental, Interagency, Multinational (JIIM)-broadening assignments for senior Army Civilians.
- Fully implement mandatory supervisory training for current Civilian and Military supervisors.

- Pilot a new Acculturation Training Program in support of the current CES Foundation Course.
- Survey the commands to collect data on training and leader development being conducted and assess all programs.
- Enhance the Civilian training website to include a training catalog, help desk with 24/7 support, collaboration center and SSC student center.

By the end of Fiscal Year 2012:

- Expand the Civilian Student Training Account to include Army Civilians in the Defense Senior Leader Development Program attending SSC.
- Assess Acculturation Training Program pilot and fully implement.
- Increase outreach and communication to the Army Civilian Corps in an effort to increase CES participation by 60 percent.
- Leverage the Army Career Tracker portal to provide visibility of Civilian training and professional development records. Integrate existing systems for easy access and "one-stop" shop for employee training and development visibility.

19.4 Business Initiative Alignment to the 2011 ACP

This initiative aligns with ACP Objective 4.0: Train the Army for Full Spectrum Operations; 4.2: Grow Adaptive and Competent Soldier and Civilian Leaders: and 1.4: Execute Civilian Work Force Transformation.

20 Fleet Management Expanded

20.1 Business Initiative Overview

As a result of low readiness and inefficient maintenance of Training and Doctrine Command's (TRADOC) training fleets, the alignment of TRADOC maintenance support functions to the appropriate AMC LCMC is necessary to gain efficiencies and improve TRADOC support to Army Force Generation (ARFORGEN). Before Fleet Management Expansion (FMX), TRADOC readiness averages were well below standards (Ground equipment 87 percent at Ft. Knox and Aviation at 42 percent at Ft. Rucker). In Fiscal Year 2002, FMX began as an initiative between Army Materiel Command (AMC) and the U.S. Army Training and Doctrine Command (TRADOC) to improve the readiness of TRADOC's training fleet. To accomplish this task, AMC established capabilities through its Life Cycle Management Commands (LCMC) to support ARFORGEN by providing field-level maintenance to the training fleet. In November 2009, the Commanding Generals of AMC and TRADOC signed the FMX Memorandum of Agreement (MOA) to execute the transfer of the equipment field maintenance function, with direct funding and resources, from TRADOC to AMC in Fiscal Year 2012.

20.2 Business Initiative Progress

TRADOC's training fleet readiness averages for Fiscal Year 2010 were 93 percent for Ground and 70 percent for Aviation. This is a significant improvement from the average readiness rates before FMX. Cost avoidances for Fiscal Year 2010 totaled \$37.5 million and are forecasted to be \$25 million per year.

Overall Operational Readiness Rates			
Systems	FY 2002	FY 2010	Army Standard
Ground	87%	93%	90%
Aviation	42%	70%	75%

Success was achieved by aligning TRADOC training sites with LCMCs. Specific examples of efficiencies gained in Fiscal Year 2010 include:

- More efficient supply chain management processes resulting in expedited requisitions.
- Consolidation of fleets resulting in maintenance efficiencies Forward Repair Activities at Ft. Knox.
- Fleet Modernization example: M1 Tanks (FMX was instrumental in obtaining the M1A2 System Enhancement PackageV2 for Fort Knox).

- New equipment fielding of avionics equipment such as Electro-Optics Test Facilities, GRM 122 Radio Test Systems and Transponder Test Sets.
- 100 percent of student requirements were met during Fiscal Year 2010.

20.3 Business Initiative Future Milestones

Fiscal Years 2011-12 plans:

HQAMC is publishing an operational order to execute the details of the transfer from TRADOC to AMC to ensure a seamless transition. Furthermore, each LCMC site lead is responsible for developing MOAs with the local TRADOC Commander that will detail local processes and procedures. Also, the LCMCs, in coordination with local TRADOC staffs, are participating in hiring actions to ensure proper skill sets are in place. AMC plans to develop Lean Six Sigma (LSS) initiatives at each FMX site. Many readiness, training and costs benefits related to this business initiative are already being realized and will continue.

20.4 Business Initiative Alignment to the 2011 ACP

- a. Internal Alignment:
 - 2011 ACP Campaign Objectives of Train the Army for Full Spectrum Operations (Major Objective: 4-1: Train Soldiers and Civilians); Support Global Operations with Ready Landpower (Major Objective 3-2: Institutionalize ARFORGEN; 3-4: Train Units for Full Spectrum Operations in a Changing OE (Operational Environment)); Sustain the Force for Full Spectrum Operations and Transform the Generating Force (Major Objectives 6-3: Refine Sustainment Capabilities for the Force; 6-6: Sustain Units for Full Spectrum Operations; and 8-1: Adapt Generating Force Size and Manpower Mix).
 - Secretary of the Army/Chief of Staff of the Army Calendar Year 2010 Objectives: Continue Efforts to Restore Balance.
 - Army Report to Congress—March 1, 2010: *Alignment*, both vertical and horizontal, and internal and external— to ensure execution of stakeholder and Army priorities are in support of national security objectives; *Holistic, Enterprise-Level Thinking*, with an associated governance construct and cultural mindset for transformation and business operations management. Aligns material enterprise mission under AMC.
- b. External Alignment (OSD, GAO, etc.) Aligns wholly or partially with the following:
 - GAO DoD High Risk Areas:
 - o Supply-Chain Management
 - o Approach to Business Transformation
 - DoD Core Mission Areas:
 - o Materiel Supply and Services Management

21 Army Item Unique Identification (IUID)

21.1 Business Initiative Overview

IUID creates opportunities for information sharing between users at all levels in a net-centric environment. Establishing the Unique Item Identifier as the global data key in the Army Logistics Architecture Enterprise permits the data across our automated information systems (AIS) to be linked to the individual item level of detail to support improved life-cycle management and financial accountability.

If we do not undertake this initiative, the Army will continue to operate under manual data entry that fosters errors, duplication and adds significant risk to our AIS data integrity. Significant manhours will continue to be required and likely increase as demands for more efficient and accurate property accountability and financial transparency are made by Congress, GAO and OSD. Soldier readiness and operational efficiency will continue to be sub-optimized through labor intensive processes and inaccuracies caused by manual data input. Further unintended consequences may drive additional operating costs from failure to identify counterfeit parts in Army inventory and sub-optimal warranty management. Safety risks may be higher with the potential use of counterfeit parts that fail to meet specifications.

21.2 Business Initiative Progress

- This business initiative was accepted on October 1, 2010.
- HQDA has issued policy and guidance for implementing IUID marking on items, item traceability using Property Book Unit Supply Enhanced (PBUSE) and automated arms room inventory management.
- Significant reductions in man-hours required for financial traceability from new
 equipment acceptance by the Government through equipment fielding to the gaining
 command have been achieved by incorporating IUID into PBUSE.
- The Army has more than 6 million items marked and registered in the DoD IUID Registry.
 This accounts for more than 69 percent of all items in the DoD IUID Registry.
- Several pilot programs are being implemented in the United States to test the use requirements for broader Army-wide applications. AMC is developing plans and requirements to initiate an overseas pilot in USAREUR in second quarter Fiscal Year 2011.
- Cost savings/cycle time improvements can be assessed when data is captured from pilot program results.

21.3 Business Initiative Future Milestones

- Resourcing guidance has been released for POM 12-17.
- Adjust Army IUID policy to focus on OSD guidance resulting from the DoD IUID Task Force.

- Continue modeling major IUID impacts in Army AIS and identify gaps and redundancies in materiel, technical, policy and business process requirements.
- Assess pilot program results for cost savings/cycle time improvements.
- Capability Army-wide will be developed incrementally over time according to resource programming guidance and availability. The goal is to have capabilities for Army-wide use and benefits by December 31, 2016.

21.4 Business Initiative Alignment to the 2011 ACP

Campaign Objective 6.o, Sustain the Force for Full Spectrum Operations under Major Objective 6-1, Enhance Materiel Readiness.

22 Potential Transfer of AMC Special Installations to IMCOM

22.1 Business Initiative Overview

The current method of installation management support functions at 21 AMC-Special Installations (AMC-SI) does not conform to the Army's core competencies or its decision to transition into four enterprises to gain mission efficiencies. To adjust responsibilities for management of AMC special installations and to leverage IMCOM's core competencies, a Pilot Program was established between AMC and IMCOM to examine the reassignment of the AMC Special Installations to IMCOM. AMC, in coordination with IMCOM, will also update the Interservice Support Agreements (ISAs) and Real Estate Permits at 2 Navy sites (Crane and Corpus Christi).

22.2 Business Initiative Progress

The reassignment of installation management to IMCOM will result in reduced requirements for AMC to fund services and sustainment of those facilities. This, in turn, will reduce that portion of the AMC maintenance rates used for services and sustainment and will result in an overall reduction in AMC's rates to its customers, thus making the AMC services more competitive. Funds needed to execute the services and facilities sustainment missions at the former AMC locations will be reassigned to the IMCOM.

22.3 Business Initiative Future Milestones

The current planning milestones are: 1) to complete the reassignment of real property accountability from AMC to IMCOM for eight Government-owned, contractor-operated (GOCO) sites by the end of Fiscal Year 2011; 2) begin a phased reassignment of selected Base Operations Support Services at the GOCOs for an end-state of separate BASOPS and Mission PWS aligned with Army Standards, dependent upon specific contract conditions; 3) update the Installation Support Agreements (ISAs) and Real Estate Permits at 2 Navy sites in FY 2011; 4) reassign real property accountability and installation management at two Government-owned, government-operated (GOGO) sites in Fiscal Year 2014; 5) assign real property accountability and installation management at the remaining 11 GOGO sites between Fiscal Years 2015–19.

22.4 Business Initiative Alignment to the 2011 ACP

Supports ACP Objective 2.3 - Provide infrastructure that supports stationing, readiness and industrial base. This is a shared AMC/IMCOM initiative. ASA (IE&E) and ACSIM provide oversight. Other HQDA staffs participate in IPTs and GOSCs as required. HQDA G-3 will assist in integration into ACP efforts when needed.

23 Enterprise Email and Calendar

23.1 Business Initiative Overview

The Army's Enterprise E-mail initiative consolidates Army e-mail that is running on multiple, segregated, non-standard Microsoft Exchange 2003 systems, into a Defense Information Systems Agency (DISA)-provided Microsoft Exchange 2010 cloud-based solution. It will utilize an enterprise ID Management strategy that addresses the challenge of individuals with multiple roles (e.g., contractor and Reservist) who need to have separate accounts on the same system. Plan highlights include:

- Enterprise E-mail accounts remain online, active and accessible during permanent change of station moves and unit relocations, eliminating user "down-time."
- It allows users to share calendars and contact information DoD-wide, eliminating collaboration gaps between units, installations or DoD components.
- Provides a minimum 4 gigabytes of online e-mail storage (which is 40-times the current e-mail baseline).
- Enterprise e-mail is greater than just the Army, as Phase 1 also includes U.S. Air Forces in Europe, U.S. Transportation Command, U.S. European Command and the U.S. African Command.

Army E-mail is provided and managed by multiple providers (Army Knowledge Online (AKO), Network Enterprise Centers and functional commands) for both Non-classified Internet Protocol Router Network (NIPR) and Secure Internet Protocol Router Network (SIPR) Generating Force requirements. The multiple disparate e-mail systems in operation result in significant difficulty for a consumer to find contact information and units to collaborate, making the operational impact and financial costs unacceptably high.

23.2 Business Initiative Progress

January 2011 - Microsoft is delivering final updates to the Outlook client and the Army is conducting a rehearsal of concept. The Army is finalizing service level agreements, the concept of operation, the integration with Tier 1 service desks, and development of the migration tool.

23.3 Business Initiative Future Milestones

- February 2011 A 2,000 user operational pilot of CIO/G-6, NETCOM, and RDECOM before a final decision is made to proceed
- March 1, 2011 The remainder of the Army, starting with HQDA, will begin migration
- December 31, 2011 The Army will complete migration of 1.4M Common Access Card holders (NIPRNET) and 200K SIPRNET users

Proving value and demonstrating the capability of Enterprise E-mail for the Army and three combatant commands will enable DISA to determine the most useful improvements necessary for a second phase. It will also enable the U.S. Air Force, Joint Staff, U.S. Navy and U.S. Marine Corps, as well as the rest of DoD, to determine when they can migrate to the enterprise service. The true

benefit of Enterprise E-mail will be reached when the entire department is using the enterprise service.

DISA is in the process of building out the necessary capacity in nine Defense Enterprise Computing Centers worldwide. The Army and DISA are collaborating on analyzing network circuits to determine locations that a mini-capability, located on an Army installation, and able to meet required service levels.

23.4 Business Initiative Alignment to the 2011 ACP

Enterprise E-mail is a key enabler of the ACP objective to transform LandWarNet within the Generating Force. It is also a cornerstone to the Army CIO's Global Network Enterprise strategy. Enterprise E-mail will provide:

- Improved mission effectiveness and personnel productivity (with the ability to find and collaborate with anyone and share individual, organizational and resource calendars across the entire Army).
- Improved security (by eliminating username/password and using more secure operating systems and apps).
- An enterprise directory service (allowing users to find the people they need) and enterprise identity management services (one identity for your career, anywhere you go in the DoD).

Enterprise e-mail will improve operational effectiveness and efficiency, a key tenet of transformation. E-mail centralization and elimination of disparate systems supports the Transform Business Operations objective as well.

24 Army Enterprise Service Desk

24.1 Business Initiative Overview

The primary mission of the Army Enterprise Service Desk (AESD) is to provide the single point of contact for all LandWarNet IT service requests, issues and inquiries. The AESD provides 24-7/365 support services to Army users in any theater and is integrated with the Army Network Operations facilities providing IT service operations within each theater.

Initial level-of-effort is to integrate the various post, camp and station help desks belonging to 7th Signal Command (Theater). Additional efforts will integrate the various command and systems help/service desks (e.g., AMC and the installations for which they are the IT service provider). In its end state, the AESD must be global in scale and integrate theater, functional and installation-level end user support activities, as well as provide Army leaders with accurate information that supports their decision-making processes.

The current approach for satisfying Service Desk requirements uses disparate tools, processes and segmented data to satisfy a large and dynamic user base—the Army's Operating and Generating Forces. Each organization has its own processes, data and tools to support its service consumers. Many processes and systems are not synchronized with the Army enterprise's overall goals. Most of the data is not related in any way to provide a single picture of users and their needs. In addition, there is little connection between the services and the IT components used to enable the services. The existing approach greatly limits the flexibility and responsiveness of IT operations and service support.

24.2 Business Initiative Progress

The deployment of AESD began in Fiscal Year 2010. Some of the tasks accomplished in Fiscal Year 2010 are:

- Product Manager (PM) Area Processing Centers (APCs) stood up the Army Enterprise
 Service Desk Office. This office is responsible for the delivery of AESD for the CIO/G-6.
- AESD achieved operational agreements with three existing call centers to provide immediate service as part of the initial AESD initiative (U.S. Army Information Technology Agency (Ft. Detrick); Willow Oaks (Herndon, VA); and Army Reserve (Oklahoma City, OK, and Nashville, TN)).
- Ten Army installations' help desks were integrated into the Army Enterprise Service Desk.
- The CIO/G-6, in conjunction with NETCOM/9th Signal Command (Army), identified the requirements, developed the business objectives and set the conditions to enable AESD.
- The process of integrating a help desk on to the AESD is called "on-boarding." PM APC conducts on-boarding of multiple installation help desks simultaneously to minimize the time to transform the delivery of IT services.

• PM APC conducts continuous assessment of IT service delivery metrics and business processes. The CIO/G-6 and NETCOM continue to evaluate PM APC's performance and works with the PM to optimize the program.

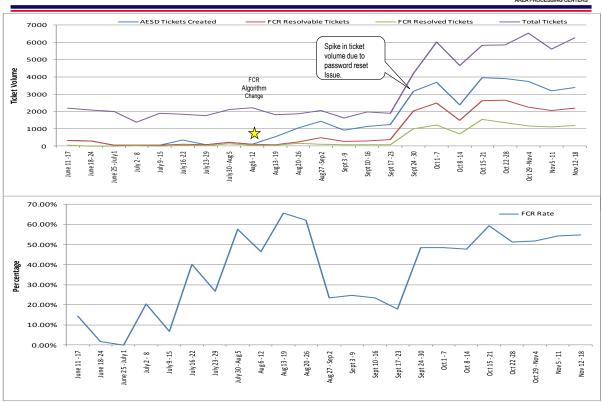
Fiscal Year 2010 measureable improvements:

• First Call or First Contact Resolution (FCR) is one of the most important metrics used to measure efficiency and effectiveness of the Service Desk. FCR indicates how successful the Service Desk is in addressing the callers' needs the first time they call, thereby eliminating the need for users to follow up with a second call, resulting in an increase in call volume, requiring more technicians and increasing operational costs. A high percentage of FCR usually translates to high user satisfaction and higher productivity, since the user is not sitting idle waiting for assistance. The chart below shows AESD's ticket creation and FCR percentages.



AKO Ticket Trend Data Year to Date as of 18 Nov 2010





24.3 Business Initiative Future Milestones

Fiscal Year 2011–12 plans:

- Continue to integrate 7th Signal Command (Theater) Network Enterprise Center help desks to AESD.
- Start integrating help desks located OCONUS.
- Fully deploy the Enterprise Support Management System.

- Develop tactics, techniques and procedures for supporting the Army Enterprise E-mail initiative.
- AESD is considered an enabler for Army enterprise projects such as Enterprise E-mail, Active Directory consolidation, Network Operations fielding and the Army Data Center Consolidation Plan.
- Initial Operating Capability was reached during the first quarter of Fiscal Year 2010. Full operating capability will not be reached until the end of Fiscal Year 2015.

24.4 Business Initiative Alignment to the 2011 ACP

- Major Objective 7-4, Transform LandWarNet (LWN) via the Global Network Enterprise Construct (GNEC).
 - Subtask: Implement Enterprise services (ESD, Enterprise Active Directory and Enterprise E-mail).
 - Metrics: Continue migration organizations to ESD: 13 in first quarter Fiscal Year 2011,
 12 in second quarter Fiscal Year 2011 and 12 in third quarter Fiscal Year 2011.
- Major Objective 8-2, Transform LandWarNet via the GNEC.
 - Subtask: Implement Enterprise services (ESD, Enterprise Active Directory and Enterprise E-mail).
 - Metrics: Continue migration of organizations to ESD: 13 in first quarter Fiscal Year
 2011, 12 in second quarter Fiscal Year
 2011 and 12 in third quarter Fiscal Year

25 Army Corrosion Prevention and Control

25.1 Business Initiative Overview

The Army does not have total visibility of the amount of funds needed or spent for corrosion prevention and control (CPC). The OSD, through the Logistics Management Institute reports that the Army currently spends approximately \$5.6 billion annually on preventive and corrective maintenance actions due to corrosion of fielded aviation systems, missile systems, ground vehicles and established facilities and infrastructure. This cost figure does not include those costs associated with CPC activities related to science and technology, research and development, systems engineering, logistics supportability analysis, packaging, preservation, storage, technical publications, manpower, construction or training and education.

25.2 Business Initiative Progress

- This business initiative was accepted on October 1, 2010.
- An Army CPC Strategic Plan has been developed, staffed Army-wide and is currently in the review and approval process to the CMO.
- Per Title 10 USC 2228, Section 903 of the Fiscal Year 2009 NDAA, DoDI 5000.67 and the DoD Corrosion Prevention and Mitigation Strategic Plan, we submitted our annual report on CPC was submitted.
- Through cost sharing technology demonstration projects with OSD, we have identified, tested and validated new CPC technologies that have a range of return on investment of 4-to-1 to 242-to-1.
- Congress, through Section 903 of the Fiscal Year 2009 NDAA, has mandated that the
 Army establish a Corrosion Executive to oversee the department-level activities
 (including budget programming); ensure CPC is maintained in the department's policy
 and guidance; initiate and sustain an effective CPC program; evaluate the program's
 effectiveness; and ensure that CPC requirements are reflected in the department's
 budgeting and policies for the formulation, management and evaluation of personnel
 and programs.

25.3 Business Initiative Future Milestones

- The Army CPC strategic plan will be approved in the second quarter of Fiscal Year 2011.
- Pending the availability of funding (\$1.5 million), we will identify a full-time CPC staff to oversee the initiative.
- Pending the availability of funding (\$1.5 million):
 - o Initiate action to implement the approved strategic plan.
 - o Continue our support of the OSD/DoD CPC program.
 - With the changes coming as a result of acquisition streamlining and the better buying power initiatives, we will develop policy. The Corrosion Prevention and

Control Plan (CPCP) was a component of the Acquisition Strategy and will soon be a component of the Systems Engineering Plan instead.

- Complete a Cost Benefit Analysis.
- The very nature of Life-Cycle Cost/Total Ownership Cost (LCC/TOC) informs us that true impacts of today's decision are not fully realized until later in the life cycle. It is highly unlikely that we could eliminate corrosion, but through the oversight of this initiative, it should be expected that, over time, there will be an incremental reduction in the LCC/TOC costs that contribute to the effects of corrosion.

25.4 Business Initiative Alignment to the 2011 ACP

- Campaign Objective 1.0, Man the Army and Preserve the All-Volunteer Force. This
 includes activities for training the force in corrosion identification and mitigation,
 equipping the force with reliable and sustainable equipment and facilities and
 ensuring the quality of materials stored in prepositioned stock and the strategic
 flotilla.
- Campaign Objective 2.0, Provide Facilities, Programs and Services to Support the Army and Army Families. This includes properly stating CPC requirements in Joint Capabilities Integration and Development System documentation, resetting and sustaining pre-positioned stocks and strategic flotilla.
- Campaign Objective 5.0, Equip the Army for Full Spectrum Operations. Includes development and implementation of a facilities strategy and pre-positioned stock and strategic flotilla positioning.
- Campaign Objective 6.o, Sustain the Force for Full Spectrum Operations. Includes spiraling new corrosion technologies into proven capabilities with a high payoff.
- Campaign Objective 8.o, Transform the Generating Force. This includes implementing
 corrosion identification and mitigation training in initial and institutional training,
 sustaining of the force (maintenance) and development and implementation of a
 strategic communications strategy for CPC awareness.
- Major Objective 8-2, Leverage Joint Interdependence. This includes ensuring that the
 joint logistics structure has the personnel, skills, equipment and tools to perform CPC
 activities to enhance readiness.

26 Secure Mobile Workforce (SMW)

26.1 Business Initiative Overview

The Army's Enterprise Information Technology environment currently lacks the ability to untether its workforce from the fixed information technology infrastructure. Mobility has long been regarded as a critical element of the modern battlefield and it is becoming an equally critical discriminator in the information and business worlds. Non-deployed U.S. Army professionals have a requirement to leverage technology and the Internet to work remotely. The implementation of Army Knowledge Online (AKO) Secure Mobile Workforce (SMW) is intended to provide multiple tools to address this critical need, and provide a basis for updating related U.S. Army policy. Army Knowledge Online (AKO) requires an initial investment to test and prove the feasibility of implementation of Secure Mobile Workforce (SMW). Through SMW, multiple applications and data sources become available to the Army user, all easily accessible in the palm of the hand through a cellular mobile phone, Smartphone, tablet, net book, personal digital assistant, laptop, or other handheld device. SMW users will have the ability to connect, find, consume, interact, communicate and share information.

26.2 Business Initiative Progress

The program was initiated in 2010, so this information is not available.

26.3 Business Initiative Future Milestones

Fiscal Years 2011–12 plans:

Operating System

Milestone	Cost	Notes	Date
Initial User Demonstration		Funding +63 days (60 days	30-Apr-11
		begin 1 March)	
Total Apple iOS Milestone Costs			

Related Hardware Provisioning Costs

Item	Cost	Notes
Receive CAC readers	\$325k	1000@\$325
iPhones x 500	\$500k	500@\$1k for both phone and
		yearly plan.
iPad	\$475k	500@(\$850 ea +\$40 air card +
		\$60 plan)
Total Apple Hardware Provisioning	\$1.3M	
Costs		

ANDROID OS

Milestone	Cost	Notes	Date
OS Secure email and Calendar			
available			
Certification of secure capability	\$3.2M		15-May-11
Total Android Provisioning Costs	3.2M		

Related Hardware Provisioning Costs

Item	Cost	Notes
Android STIG development cost	\$246K	
Devices, Voice and Data Plan		
Initial User Demonstration		Funding +63 days (60 days
		begin 1 March)
CAC readers	\$325k	1000@\$325
Android phones	\$500k	
Tablets	\$425k	500@\$850 ea
Air card for Droid x500	\$410k	
Secure Government Container	\$3M	Connects device to Army
		Applications and data.
Testing to FOUO approved level by	\$4M	Estimate \$2M per IOS, Android,
NSA		platforms
Secure wireless hardware Wedge	\$4M	Provided by qualified vendor.
Total Android Provisioning Costs	\$12.906M	
Total Cost All Categories	\$17.406M	

26.4 Business Initiative Alignment to the 2011 ACP

This will allow for government employees to remain productive during severe, emergency or ad hoc situations. In addition, existing and new uses for mobile applications realized through the Mobile Device Applications Development services will reap the benefits for the Federal workforce with more timely and mobile access to key applications. Future benefits will be realized subject to funding that can lead to a deployment of a mobile solution set.

The initial user group will realize benefits upon completion of certification. This is aligned with President Obama's 2010 Telework Act to increase Federal employee teleworking, allowing for Federal business continuity during Homeland emergencies and weather disruptions. It also provides private sector competitive telework benefits to attract and retain top workforce talent.

27 Small Business Utilization

27.1 Business Initiative Overview

The Department of the Army has historically awarded the largest amount of dollars in contracts to small businesses than any other federal agency. The Army is the largest contributor to the Department of Defense small business program.

Notwithstanding, there is ample opportunity to improve the Army progress toward the statutory goals through initiatives such as: providing incentives to large contractors to subcontract to small businesses, develop mechanisms to increase opportunities for small businesses in providing services, and providing training to the acquisition workforce on the latest tools and techniques for contracting with small businesses. The USD (AT&L) charged the military departments with delivering through better buying power, better value to the taxpayer and improving the way the department does business. A part of that charge is to involve dynamic small businesses in defense contracting in both prime and subcontractor roles. We are further charged with leveraging small business innovations and opportunity into our competitions as small business representation on programs has demonstrated lower costs to the government. This initiative is intended to, among other things, facilitate a better understanding of small business capabilities within certain industries and increase market research and outreach efforts to ensure maximum small business utilization.

The President issued a memorandum dated April 26, 2010 directing that small business contracting should always be a high priority in the procurement process. Congress has mandated that the Federal Government award a fair proportion of contracts to small businesses. To achieve this objective, small business statutory goals have been established for the award of federal contracts. The goals are: 23% for small businesses, 5% for small disadvantaged businesses, 5% for women owned businesses, 3% for historically underutilized businesses and 3% for service disabled veteran owned businesses.

27.2 Business Initiative Progress

The 2011 Report to Congress introduces this business initiative as a new initiative. Therefore, progress will be reported in our 2012 Report to Congress.

27.3 Business Initiative Future Milestones

Future milestones are currently being refined and will be discussed in our 2012 Business Transformation Plan Update to be published October 2011.

27.4 Business Initiative Alignment to the 2011 ACP

Alignment of this business initiative to the ACP is currently under review and will be discussed in our 2012 Business Transformation Plan Update to be published October 2011.

ANNEX A: ARMY LEAN SIX SIGMA PROGRAM

The Army has one of the largest and most successful deployments of Lean Six Sigma (LSS) in the world. The Army's Continuous Process Improvement (CPI)/LSS deployment began in 2006, and since then we have achieved \$18.2 billion in financial benefits including important breakthroughs in materiel flow in Iraq and Afghanistan. These financial benefits cover savings to current programs, cost avoidance in future programs and revenue generation from reimbursable activities. The program continues to expand as Army senior leaders, using their CPI/LSS Deployment Directors, who are the champions of the projects, continue to press for the reduction and elimination of waste and inefficiency. As of January 2011, the Army has 2,036 projects underway that have a total value of \$5.4 billion in financial benefits. None of these financial benefits can be accomplished without the strong partnership of leaders/process owners and the 48 CPI/LSS Deployment Directors throughout the Army.

CPI/LSS is a critical cultural change and methodology that will be vital to the effectiveness of the Army Management Enterprise and Integrated management system. There is no current methodology within the Department of Defense (DoD) that can define, build, improve and sustain processes like LSS. It attacks inefficiencies— waste caused by defects—and eliminates non-value-added flow of information or materials, data storage, stacks of inventory, overproduction and extra processing. With LSS proven techniques, Army managers/process owners hold the skills to find, fix and finalize the efficiencies being sought after during the incoming period of budget contraction.

Since the announcement of the efficiencies effort by the Secretary of Defense in May 2010, the CPI/LSS value stream analysis is now a fundamental step within the new cost-benefit analysis for any new requirement, as well as the method of choice within the Army Campaign Plan for implementation. With more than 6,000 certified CPI/LSS practitioners within Army, this business process analytical capability is inextricably linked to the successful analysis, design, implementation and performance measurement of our Army Business Initiatives and the overall transformation of culture in a budget-constrained environment.

The goal is for Army organizations to become self-sustaining in CPI/LSS techniques and to leverage the gains that we've earned. The efforts of the LSS Program Management Office (as the proponent for the Army's CPI/LSS program) have integrated the improvement efforts of individual commands, sponsored OCONUS efforts and championed the training necessary to make this a way of doing business. The CPI/LSS methodology is important to the Army because it offers a proven, analytically based methodology. The application of CPI/LSS methodology has produced a return on investment of 700 to 1 and has helped the Army to become a better steward of our nation's resources.

ANNEX B: STRATEGIC MANAGEMENT SYSTEM

The Strategic Management System (SMS) is a web-based tool that allows Army leaders to instantly demonstrate both intra and interdependencies. In the last 3 years, the number of SMS users has almost quadrupled from approximately 1,000 to 4,000. The SMS Program Office, in concert with OBT, continues to support many commands and organizations throughout the Army in both performance management services and use of the software tool. Some examples of organizations that have benefited from the application are the Assistant Secretary for Acquisition, Logistics and Technology; Army Materiel Command; Installation Management Command; Medical Command; the Chief Information Officer/G-6; Network Command; the U.S. Army Corps of Engineers; Human Resources Command; and the U.S. Military Academy. The OBT fostered the Army-wide license for SMS that allows the Army to function more like a business and focus on the Army's bottom line, mission success.

Assisted in the Retooling of Army Campaign Plan (ACP) 2011

Using the SMS, the OBT created a common operating picture to track 2011 ACP Campaign Objectives, Major Objectives and Tasks and Metrics in support of The Army Plan. This web-based performance management tool facilitates the collection of 2011 ACP metric data enterprise-wide and display of information to Army Senior Leaders to improve situational awareness of campaign plan strategy execution. An interactive SMS 2011 ACP Strategy Map will be used at Army Management Enterprise Board meetings to inform leadership, identify areas of risk and highlight action plans to improve performance.

Developed the Army Performance Budget Dashboard

The SMS has provides situational awareness to Army leaders regarding Army contributions to the DoD Performance Budget. The Defense Business Systems Management Committee, chaired by the Deputy Secretary of Defense and composed of the Vice Chairman of the Joint Chiefs of Staff, Secretaries of the Military Departments and other senior DoD leaders, reviews performance budget information quarterly. Members of the Army staff use the dashboard to prepare the CMO's contribution in support of the performance budget. The dashboard facilitates the consolidation of Army performance measures, performs as the system of record and aligns Army performance with the Department's goals, objectives and performance measures.

Army Execution of the President's Open Government Initiative

The Army piloted its initial deployment of high value data sets, consistent with the President's published intent of making government more transparent, participatory and collaborative. Started in Fiscal Year 2010, and extending into Fiscal Year 2011, are initiatives that will dramatically increase the number of high value data sets deployed and establish a framework with which the Army will transform its culture to make such activity part of the Army business processes.

ANNEX C: BUSINESS SYSTEMS INFORMATION TECHNOLOGIES EXECUTIVE STEERING GROUP CHARTER



DEPARTMENT OF THE ARMY WASHINGTON DC 20310-0200

Business Systems Information Technologies Executive Steering Group Charter

- Name of Committee. Business Systems Information Technologies Executive Steering Group (BSIT-ESG)
- 2. Date Established. 14 June 2010
- 3. Expiration Date. This Charter will be submitted for biennial revalidation IAW AR 15-1, Committee Management.
- 4. Category and Type of Committee. The BSIT-ESG is an intra-Army, departmental committee that provides advice to the Chief Management Officer (CMO) of the Army. It has no authority nor performs any duties or responsibilities independent of the authorities, duties and responsibilities vested by law in the individuals comprising the BSIT-ESG.
- 5. Purpose. The purpose of the BSIT-ESG is to advise the CMO on Army-wide requirements for and the synchronization, integration, prioritization, and resourcing of Army Business Information Technology (IT) systems with focus on Enterprise Resource Planning (ERP) instances.
- 6. Direction and Control. The BSIT-ESG reports to and receives direction from the CMO or a designated Secretariat representative.
- 7. Authority. Subject to the authority, direction, and control of the Secretary of the Army, the BSIT-ESG's areas for advice and focus includes but is not limited to:
- a. Strategic alignment of Army enterprise business information systems, technologies and processes with the Department of Defense (DoD).
- b. Army enterprise-wide standards, functional requirements, resourcing and materiel development of business information technology systems.
- Army enterprise-wide alignment and integration of cross-functional business information technology and processes.
- 8. Composition. The CMO presides over the BSIT-ESG:

Core Members include:

- a. Office of the Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASA(AL&T)) (Materiel Provider)
- b. Office of the Assistant Secretary of the Army for Financial Management & Comptroller (ASA(FM&C)) (Resource Provider)

ANNEX C: BUSINESS SYSTEMS INFORMATION TECHNOLOGIES EXECUTIVE STEERING GROUP CHARTER (PAGE 2)

- e. Establish subordinate Integrated Project teams (IPTs), Tiger Teams, and working groups as needed.
- f. Recommend substantive functional domain implementation strategies, IT investment input to Army policies, and IT investments to the SA for approval.

The Executive Secretary supports the BSIT-ESG and is responsible to:

- a. Research, identify, evaluate, and prepare technical reports, white papers, or other documentation on issues requiring attention as requested by BSIT-ESG members or directed by the Chair.
- b. Develop and coordinate agenda items with the Chair and members and ensure proper representation on items before the BSIT-ESG.
- c. Schedule BSIT-ESG meetings at the direction of the Chair; prepare and distribute minutes of BSIT-ESG meetings; and approve summary of meeting proceedings.
- d. Provide advance materials for the Chair and members; assemble, prepare, and distribute material on matters under consideration by the BSIT-ESG upon availability and as expeditiously as possible.
- e. Prepare documents reflecting the recommendations made by the members or the decisions of the Chair.
- f. Track and report to the Chair the status of actions; monitor and track follow-on actions taken to ensure that decisions reached and assignments made by the Chair are implemented properly.
 - g. Prepare and distribute minutes of meetings and documents to BSIT-ESG members.
 - h. Disseminate specific requirements for data and other actions on behalf of the BSIT-ESG.
 - i. Disseminate to appropriate Army officials, decisions reached by the Chair.
- j. Ensure all security rules and regulations regarding classified meetings and documents are followed; maintain and safeguard records and ensure their appropriate disposition.
- k. Support and coordinate the activities of the BSIT-ESG's subordinate bodies and coordinate actions of subordinate bodies for presentation to BSIT-ESG.
 - 1. Compile and maintain contact lists for BSIT-ESG members and their coordinating staffs.

ANNEX C: BUSINESS SYSTEMS INFORMATION TECHNOLOGIES EXECUTIVE STEERING GROUP CHARTER (PAGE 3)

- c. Office of the Chief Information Officer/G-6 (CIO/G-6) (Standards Provider)
- d. Office of the Deputy Chief of Staff (ODCS), G-3

Adjunct Members include:

- a. Deputy Under Secretary of the Army Test and Evaluation Office (DUSA-TEO)
- b. Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA(M&RA))
- c. Office of the Assistant Secretary of the Army for Installations and Environment (ASA (I&E))
 - d. Office of the Assistant Chief of Staff for Installation Management (ACSIM)
 - e. Office of the Deputy Chief of Staff (ODCS), G-1
 - f. Office of the Deputy Chief of Staff (ODCS), G-2
 - g. Office of the Deputy Chief of Staff (ODCS), G-4
 - h. Office of the Deputy Chief of Staff (ODCS), G-8
 - i. Office of Business Transformation (OBT)
 - j. Army Test and Evaluation Command (ATEC)

At the discretion of the CMO or responsible Secretariat Principal, invitations may be extended to representatives from other organizations to attend, observe, or contribute to meetings and activities.

9. Responsibilities.

The CMO as the BSIT-ESG Chair shall:

- a. Call and preside at BSIT-ESG meetings.
- b. Approve BSIT-ESG meeting agendas.
- c. Consider the issues, problems, and equities presented during meetings and provide guidance.
- d. Direct BSIT-ESG members to develop courses of action (COAs) or other products needed for issue resolution and decision making and seek BSIT-ESG recommendations.

ANNEX C: BUSINESS SYSTEMS INFORMATION TECHNOLOGIES EXECUTIVE STEERING GROUP CHARTER (PAGE 4)

Core Members and Adjunct Members of the BSIT-ESG shall:

- a. Identify and nominate agenda topics and issues for consideration that require decision or provide situational awareness for the Chair.
- b. Sponsor topics and issues for meetings, including preparation of position papers and submit in advance, read-ahead materials, and presentation of briefings presentations.
- c. Research, identify, evaluate, and prepare technical reports, white papers, or other documentation on issues requiring attention as requested by BSIT-ESG members or directed by the Chair
- d. Represent their organizations' positions with regard to BSIT-ESG issues and ensure their organization is represented on appropriate BSIT-ESG subordinate bodies.
- e. Convey and support the positions and decisions of the Chair to their organizations (Members Only).
 - f. Execute actions and tasks as directed by the Chair (Members Only).
 - g. Participate in the development of strategies to resolve ERP issues.
- h. Keep the BSIT-ESG apprised of relevant and significant functional and ERP related matters.
- i. Review summary of meeting proceedings and submit recommended revisions as required to the Executive Secretary.
- 10. Committee Level and Other Data. The BSIT-ESG meets monthly, or as directed by the CMO or designated Secretariat representative.

Approved:

gseph W. Westphal

Under Secretary of the Army

Date: June 21, 2010

ANNEX D: GUIDANCE ON IMPLEMENTING ARMY EFFECIENCY **INITIATIVES**



UNDER SECRETARY OF THE ARMY WASHINGTON

SEP 3 0 2010

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance on Army Efficiency Initiatives

- 1. The Secretary of Defense recently directed a series of Department of Defense (DoD) Efficiency Initiatives designed to reduce duplication, overhead, excess, and instill a culture of savings and restraint.1
- 2. In accordance with the Secretary of the Army's (SecArmy) guidance², I directed the Assistant Secretary of the Army (Financial Management and Comptroller (ASA(FM&C)) to develop a framework to identify proposed efficiency initiatives for the SecArmy's approval.3
- Leveraging the framework, ASA(FM&C) is identifying lead organizations. responsibilities, efficiency/savings goals, and milestones for each proposed efficiency initiative.
- b. Based on the SecArmy's guidance, the Army will make the appropriate adjustments to our Fiscal Year (FY) 2012-2016 Program Objective Memorandum (POM) as well as identify initiatives for further development and inclusion in the Army FY 2013-2017 POM.
- 3. We must ensure the identified efficiency initiatives are realized, while we continue longer-term efforts to ensure we meet the SecArmy's intent of more efficient and effective business processes under a culture of savings and restraint. Therefore, I am directing the Office of Business Transformation (OBT) to develop a plan4 to:
- a. Establish a process to identify, assess, and implement future efficiency initiatives;
- b. Leverage the Army integrated management processes to synchronize and integrate efficiency efforts;
- c. Develop metrics and performance reporting, to include tracking and assessing the progress of ongoing, proposed, and future efficiency efforts against DoD and Army efficiency targets; and

Secretary of Defense Memorandum, Department of Defense (DoD) Efficiency Initiatives, 16 Aug 10.

Secretary of the Army Memorandum, Oversight of Army Efficiency Efforts, 26 Aug 10.
 Under Secretary of the Army Memorandum, Guidance on Implementing Army Efficiency Initiatives,

Consistent with Major Objective 9-1, Develop and Implement an Integrated Management System, Army Campaign Plan 2011.

ANNEX D: GUIDANCE ON IMPLEMENTING ARMY EFFECIENCY **INITIATIVES (PAGE 2)**

SUBJECT: Guidance on Implementing Army Efficiency Initiatives

- d. Coordinate analysis and, through the ASA(FM&C), ensure recommendations on future efficiencies inform future Army POMs.
- 4. The OBT will develop the plan, with associated outcomes and milestones, for my review and SecArmy approval no later than 15 Nov 10.
- 5. Please provide a primary and alternate point of contact (POC) for this effort to the Office of Business Transformation. My POC is Ms. Beverly Robertson, in OBT, (703) 692-9169, bev.robertson@us.army.mil.

DISTRIBUTION:

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- **U.S. Army Forces Command**
- U.S. Army Training and Doctrine Command
- U.S. Army Materiel Command
- U.S. Army Europe
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- U.S. Army North
- U.S. Army South U.S. Army Pacific
- U.S. Army Africa U.S. Army Special Operations Command

Military Surface Deployment and Distribution Command

- U.S. Army Space and Missile Defense Command/Army Forces Strategic Command Eighth U.S. Army
- U.S. Army Network Enterprise Technology Command/9lh Signal Command (Army)
- U.S. Army Medical Command
- U.S. Army Intelligence and Security Command
- U.S. Army Criminal Investigation Command
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- U.S. Army Test and Evaluation Command
- **U.S.Army Reserve Command**
- U.S. Army Installation Management Command

Superintendent, United States Military Academy

Director, U.S. Army Acquisition Support Center

ANNEX E: THE SECRETARY OF THE ARMY'S CAPABILITY PORTFOLIO REVIEW STRATEGY



SECRETARY OF THE ARMY WASHINGTON

FEB 2 2 2010

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: The Secretary of the Army's Capability Portfolio Review Strategy

- 1. The Army will soon be required to make tough decisions affecting our input to the Program Objective Memorandum (POM) for 2012-2017. To ensure that we both meet the needs of the operational Army and program, budget, and execute funds wisely, I have established Capability Portfolio Reviews (CPR), to be implemented as set forth in the attached Terms of Reference (TOR). To clarify that the TOR applies to all elements of the Department (that is, Secretariat, Army Staff, and field commands), I have directed that it be signed by the Under Secretary of the Army as well as the Vice Chief of Staff, Army (VCSA).
- 2. I hereby direct the VCSA to conduct an Army-wide, all-component review and assessment of requirements across all Army Capability Portfolios, as described in the Session 1 section of the TOR. Further, I direct the Under Secretary of the Army, in his role as the Chief Management Officer (CMO) of the Department, and in concert with the Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA (ALT)), the VCSA, and other key stakeholders, as set forth in the Session 2 section of the TOR, to make recommendations to me to revalidate, modify, or terminate requirements. My decisions on these recommendations will establish Departmental priorities for investment, research, development, and acquisition, and/or life-cycle sustainment, to include force structure and training, across each Army Capability Portfolio.
- 3. This review strategy will be implemented immediately and remain in effect for a period of 1 year from the effective date of this memorandum. Throughout this period, CPRs will operate concurrently with, but will not supplant, the Army Requirements Oversight Council (AROC), Army Systems Acquisition Review Council (ASARC), or congressionally mandated Configuration Steering Board (CSB) processes. Each CPR is envisioned as the first step in the evolution of an integrated process for the informed revalidation of the operational value of requirements within and across all Army Capability Portfolios. No later than 1 year from the date of this memorandum the Under Secretary of the Army/CMO, together with the ASA (ALT) and the VCSA, shall provide me with a comprehensive and detailed recommendations to terminate CPRs; incorporate all or part of CPRs into the AROC, ASARC, and CSB processes; otherwise restyle these processes; or implement some other appropriate method for the review, assessment, and revalidation of Army requirements.

John M. McHugh

Enclosure

ANNEX E: THE SECRETARY OF THE ARMY'S CAPABILITY PORTFOLIO **REVIEW STRATEGY (PAGE 2)**

SUBJECT: The Secretary of the Army's Capability Portfolio Review Strategy

DISTRIBUTION:

Principal Officials of Headquarters, Department of the Army

Commander

U.S. Army Forces Command

U.S. Army Training and Doctrine Command

U.S. Army Materiel Command

U.S. Army Europe

U.S. Army Central

U.S. Army North

U.S. Army South

U.S. Army Pacific

U.S. Army Africa

U.S. Army Special Operations Command

Military Surface Deployment and Distribution Command

U.S. Army Space and Missile Defense Command/Army Forces Strategic Command Eighth U.S. Army

U.S. Army Network Enterprise Technology Command/9th Signal Command (Army) U.S. Army Medical Command

U.S. Army Intelligence and Security Command

U.S. Army Criminal Investigation Command

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U.S. Army Military District of Washington

U.S. Army Test and Evaluation Command

U.S. Army Reserve Command

U.S. Army Installation Management Command

Superintendent, United States Military Academy

Director, U.S. Army Acquisition Support Center

ANNEX F: OPEN GOVERNMENT INITIATIVE

In December 2009, responding to the President's Open Government Instruction, the Office of Management and Budget (OMB) published an Open Government Directive (OGD) mandating all Federal Agencies make releasable data available to the general public in a readable, accessible and useful format. Since that time, the Department of Defense (DoD), in concert with OMB, developed and deployed a variety of tools for implementing the directive within DoD. Within the Army, the OBT piloted an effort with several high value data sets. The very nature of the OGD is complementary to the Business Transformation Plan and supports the Authoritative Data Business Initiative, one of the Army's Business Initiatives.

The OMB memorandum directed executive departments and agencies to take specific actions to implement the principles of transparency, participation and collaboration set forth in the President's Memorandum. The alignment between Army Business Transformation rests in three specific areas: 1) collaboration, 2) sharing consumable data and 3) meeting public expectations. Core to the OBT existence is the mandate to develop and implement an Army integrated management system. This capability will institutionalize collaboration within the Army at the strategic level. The OGD extends this process to the public sector by sharing data with the academic and public sectors to contribute. In order for these communities to collaborate, they first must have data on which to act. Our integrated management system will leverage the Authoritative Data Business Initiative to share consumable data/information with the public domain. The OBT is enabling and sustaining the processes to post high value data sets to Data.gov. The public can form its expectations based on available consumable data.

The Army 2010 Business Transformation Plan outlines the Army's intent to develop and deploy an integrated management system. By directing such a capability, the Army recognizes that it can improve sharing of data internally within the Department of the Army and DoD and externally with the public. Our integrated management system will include capabilities for supporting the Army execution of the OGD. The Army's ongoing adjustment to culture will support implementation of the three principles of transparency, participation and collaboration.

The OBT supports the CMO by pursuing the OGD on two levels to support the intent of the President and DoD: by executing specific requirements from OMB and DoD and transforming the enterprise culturally so that the three principals of open government are integral to business operations.